

SERFF Tracking Number:	UNON-125865258	State:	Arkansas
First Filing Company:	Acadia Insurance Company, ...	State Tracking Number:	#10035440 \$50
Company Tracking Number:	09-CA-FM-3		
TOI:	20.0 Commercial Auto	Sub-TOI:	20.0001 Business Auto
Product Name:	2009 CA Form Filings		
Project Name/Number:	04-09 AL CA Co. Form Filing/		

Filing at a Glance

Companies: Acadia Insurance Company, Continental Western Insurance Company, Union Insurance Company

Product Name: 2009 CA Form Filings

SERFF Tr Num: UNON-125865258 State: Arkansas

TOI: 20.0 Commercial Auto

SERFF Status: Closed

State Tr Num: #10035440 \$50

Sub-TOI: 20.0001 Business Auto

Co Tr Num: 09-CA-FM-3

State Status: Fees verified and received

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi, Llyweyia Rawlins

Authors: Frances Linker, Tamara Manuel

Disposition Date: 11/24/2008

Date Submitted: 11/11/2008

Disposition Status: Approved

Effective Date Requested (New): 04/01/2009

Effective Date (New): 04/01/2009

Effective Date Requested (Renewal): 04/01/2009

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: 04-09 AL CA Co. Form Filing

Status of Filing in Domicile:

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 11/24/2008

State Status Changed: 11/12/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Continental Western Insurance Company, Union Insurance Company and Acadia Insurance Company propose to adopt the following company endorsements for all policies effective April 1, 2009 for new and renewal business.

CL CA 01 33 09 08 Garage Amendatory Endorsement

CL CA 25 11 08 07 Garage Policy Advantage Endorsement

CL CA 25 15 08 07 Automobile Dealers Insurance Agents Errors and Omissions Coverage - \$300,000 Each "Accident"

<i>SERFF Tracking Number:</i>	<i>UNON-125865258</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Acadia Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>#10035440 \$50</i>
<i>Company Tracking Number:</i>	<i>09-CA-FM-3</i>		
<i>TOI:</i>	<i>20.0 Commercial Auto</i>	<i>Sub-TOI:</i>	<i>20.0001 Business Auto</i>
<i>Product Name:</i>	<i>2009 CA Form Filings</i>		
<i>Project Name/Number:</i>	<i>04-09 AL CA Co. Form Filing/</i>		

Sublimit

CL CA 25 16 08 07 Automobile Dealers Odometer Statute Errors and Omissions Coverage - \$300,000 Each "Accident"

Sublimit

CL CA 25 17 08 07 Automobile Dealers Title Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit

CL CA 25 18 08 07 Automobile Dealers Truth in Leasing Errors and Omissions Coverage - \$300,000 Each "Accident"

Sublimit

CL CA 25 19 08 07 Automobile Dealers Truth in Lending Errors and Omissions Coverage - \$300,000 Each "Accident"

Sublimit

CL CA 25 20 08 07 Employee Benefits Liability Coverage – Auto Dealers

CL CA 25 26 09 08 Automobile Dealers Insurance Agents Errors and Omissions Coverage

CL CA 25 27 09 08 Automobile Dealers Odometer Statute Errors and Omissions Coverage

CL CA 25 28 09 08 Automobile Dealers Title Errors and Omissions Coverage

CL CA 25 29 09 08 Automobile Dealers Truth in Leasing Errors and Omissions Coverage

CL CA 25 30 09 08 Automobile Dealers Truth in Lending Errors and Omissions Coverage

We wish to replace GR CA 60 – Garage Advantage Endorsement with the following new endorsements:

1. CL CA 25 11 08 07 Garage Policy Advantage Endorsement

2. CL CA 25 15 08 07 Automobile Dealers Insurance Agents Errors and Omissions Coverage - \$300,000 Each "Accident"

Sublimit

3. CL CA 25 16 08 07 Automobile Dealers Odometer Statute Errors and Omissions Coverage - \$300,000 Each "Accident"

Sublimit

4. CL CA 25 17 08 07 Automobile Dealers Title Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit

5. CL CA 25 18 08 07 Automobile Dealers Truth in Leasing Errors and Omissions Coverage - \$300,000 Each "Accident"

Sublimit

6. CL CA 25 19 08 07 Automobile Dealers Truth in Lending Errors and Omissions Coverage - \$300,000 Each "Accident"

Sublimit

The combination of these six (6) endorsements will provide the coverages within the GR CA 60 as well as five (5) additional coverages. A reduction in coverage will be generated as the new Errors and Omissions (E&O) coverage forms are built on an occurrence rather than a claims-made basis and are subject to the Garage Operations – Other than Covered Auto" Aggregate Limit. The change to separate the E&O coverages is being made so that we can

<i>SERFF Tracking Number:</i>	<i>UNON-125865258</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Acadia Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>#10035440 \$50</i>
<i>Company Tracking Number:</i>	<i>09-CA-FM-3</i>		
<i>TOI:</i>	<i>20.0 Commercial Auto</i>	<i>Sub-TOI:</i>	<i>20.0001 Business Auto</i>
<i>Product Name:</i>	<i>2009 CA Form Filings</i>		
<i>Project Name/Number:</i>	<i>04-09 AL CA Co. Form Filing/</i>		

customize the coverage with the risk exposure and charge accordingly.

We have created a new amendatory endorsement, CL CA 01 33 09 08 – Garage Amendatory Endorsement, that revises the language for the Garage Operations – Other than Covered “Autos” Aggregate Limit to include all the Errors and Omissions coverages within the aggregate.

We wish to replace the current US 101 with the ten (10) Errors and Omissions forms attached. The current US 101 allows for the limit of insurance to be filled in for any of the 5 Errors and Omissions Coverages. The two sets of proposed forms allow for two (2) options:

1. A \$300,000 Sublimit
2. A limit equal to the Garage Operations – Other than Covered “Autos” Each “Accident” limit

The US 101 used a “check box” schedule to determine which of the E&O options applied. The Company has decided that separate coverage endorsements would be easier to use to customize the policy to each insured’s needs.

We have created a new endorsement, CL CA 25 20, Employee Benefits Liability endorsement, that can be used on a Garage policy without adding the General Liability Coverage Part.

We have created a new endorsement, CL CA 25 20, Employee Benefits Liability endorsement, that can be used on a Garage policy without adding the General Liability Coverage Part.

The proposed rating for the CL CA 25 11 is equivalent to the rating for the current GR CA 60 endorsement (Rule 50.C.9.). The Errors and Omissions (E&O) coverages are being filed so that the insured can customize/select and pay for his desired coverages (Rule 50.C.13.). The Employee Benefits Liability Coverage is being added as an optional additional coverage (Rule 50.C.14.).

Company and Contact

Filing Contact Information

Frances Linker, Compliance Analyst
P. O. Box 152180

flinker@usic.com
(972) 719-2400 [Phone]

<i>SERFF Tracking Number:</i>	<i>UNON-125865258</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Acadia Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>#10035440 \$50</i>
<i>Company Tracking Number:</i>	<i>09-CA-FM-3</i>		
<i>TOI:</i>	<i>20.0 Commercial Auto</i>	<i>Sub-TOI:</i>	<i>20.0001 Business Auto</i>
<i>Product Name:</i>	<i>2009 CA Form Filings</i>		
<i>Project Name/Number:</i>	<i>04-09 AL CA Co. Form Filing/</i>		

Irving, TX 75015-2180 (972) 719-2301[FAX]

Filing Company Information

Acadia Insurance Company	CoCode: 31325	State of Domicile: New Hampshire
P. O. Box 152180	Group Code: 98	Company Type: P & C
Irving, TX 75015-2180	Group Name: W. R. Berkley	State ID Number:
(972) 719-2465 ext. [Phone]	FEIN Number: 01-0471706	

Continental Western Insurance Company	CoCode: 10804	State of Domicile: Iowa
P. O. Box 152180	Group Code: 98	Company Type: P & C
Irving, TX 75015-2180	Group Name: W. R. Berkley	State ID Number:
(972) 719-2400 ext. 2465[Phone]	FEIN Number: 42-0594770	

Union Insurance Company	CoCode: 25844	State of Domicile: Iowa
122 W. Carpenter Freeway	Group Code: 98	Company Type: P&C
Suite 350		
Irving, TX 75039	Group Name: W. R. Berkle	State ID Number:
(972) 719-2400 ext. 2465[Phone]	FEIN Number: 47-0547953	

SERFF Tracking Number:	UNON-125865258	State:	Arkansas
First Filing Company:	Acadia Insurance Company, ...	State Tracking Number:	#10035440 \$50
Company Tracking Number:	09-CA-FM-3		
TOI:	20.0 Commercial Auto	Sub-TOI:	20.0001 Business Auto
Product Name:	2009 CA Form Filings		
Project Name/Number:	04-09 AL CA Co. Form Filing/		

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	\$50.00 fee per filing.
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Acadia Insurance Company	\$0.00		
Continental Western Insurance Company	\$0.00		
Union Insurance Company	\$0.00		

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
	\$50.00	

SERFF Tracking Number: UNON-125865258

State: Arkansas

First Filing Company: Acadia Insurance Company, ...

State Tracking Number: #10035440 \$50

Company Tracking Number: 09-CA-FM-3

TOI: 20.0 Commercial Auto

Sub-TOI: 20.0001 Business Auto

Product Name: 2009 CA Form Filings

Project Name/Number: 04-09 AL CA Co. Form Filing/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	11/24/2008	11/24/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Llyweyia Rawlins	11/13/2008	11/13/2008	Frances Linker	11/24/2008	11/24/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Filing Fee	Note To Filer	Llyweyia Rawlins	11/12/2008	11/12/2008

<i>SERFF Tracking Number:</i>	<i>UNON-125865258</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Acadia Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>#10035440 \$50</i>
<i>Company Tracking Number:</i>	<i>09-CA-FM-3</i>		
<i>TOI:</i>	<i>20.0 Commercial Auto</i>	<i>Sub-TOI:</i>	<i>20.0001 Business Auto</i>
<i>Product Name:</i>	<i>2009 CA Form Filings</i>		
<i>Project Name/Number:</i>	<i>04-09 AL CA Co. Form Filing/</i>		

Disposition

Disposition Date: 11/24/2008
 Effective Date (New): 04/01/2009
 Effective Date (Renewal):
 Status: Approved
 Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

SERFF Tracking Number: UNON-125865258 State: Arkansas
First Filing Company: Acadia Insurance Company, ... State Tracking Number: #10035440 \$50
Company Tracking Number: 09-CA-FM-3
TOI: 20.0 Commercial Auto Sub-TOI: 20.0001 Business Auto
Product Name: 2009 CA Form Filings
Project Name/Number: 04-09 AL CA Co. Form Filing/

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Form	Garage Amendatory endorsement	Approved	Yes
Form	Garage Policy Advantage Endorsement	Approved	Yes
Form	Automobile Dealers Insurance Agents Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	Approved	Yes
Form	Automobile Dealers Odometer Statute Errors & Omissions Coverage - \$300,000 Each "Accident" Sublimit	Approved	Yes
Form	Automobile Dealers Title Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	Approved	Yes
Form	Auomobile Dealers Truth in Leasing Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	Approved	Yes
Form	Atomobile Dealers Truth in Lending Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	Approved	Yes
Form	Employee Benefits Liability Coverage - Auto Dealers	Approved	Yes
Form	Automobile Dealers Insurance Agents Errors and Omissions Coverage	Approved	Yes
Form	Automobile Dealers Odometer Statute Errors and Omissions Coverage	Approved	Yes
Form	Automobile Dealers Title Errors and Omissions Coverage	Approved	Yes
Form	Automobile Dealers Truth in Leasing Errors and Omissions	Approved	Yes
Form	Automobile Dealers Truth in Lending Errors and Omissions Coverage	Approved	Yes
Form	Arkansas Punitive Damages Definition	Approved	Yes
Rate	Division One - Commercial Auto Comp-any Exception Pages	Approved	Yes

SERFF Tracking Number: UNON-125865258 State: Arkansas
First Filing Company: Acadia Insurance Company, ... State Tracking Number: #10035440 \$50
Company Tracking Number: 09-CA-FM-3
TOI: 20.0 Commercial Auto Sub-TOI: 20.0001 Business Auto
Product Name: 2009 CA Form Filings
Project Name/Number: 04-09 AL CA Co. Form Filing/

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 11/13/2008
Submitted Date 11/13/2008
Respond By Date 11/25/2008

Dear Frances Linker,

This filing must be amended to comply with Bulletin 4-82 which requires punitive or exemplary damages to be defined. An acceptable definition would be "Those damages imposed to punish a wrongdoer and to deter others from similar conduct.

For future reference, anytime you send a combination filing of forms, rates and rules. The total filing fee is \$150.00. \$50 for form filing and \$100 for rate and rule.

This line is exempt from filing rates/rules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rate/rule filing and review requirements.

Sincerely,
Llyweyia Rawlins

Please feel free to contact me if you have questions.

Sincerely,
Llyweyia Rawlins

Response Letter

Response Letter Status Submitted to State
Response Letter Date 11/24/2008
Submitted Date 11/24/2008

Dear Llyweyia Rawlins,

Comments:

Response 1

SERFF Tracking Number: UNON-125865258 State: Arkansas
First Filing Company: Acadia Insurance Company, ... State Tracking Number: #10035440 \$50
Company Tracking Number: 09-CA-FM-3
TOI: 20.0 Commercial Auto Sub-TOI: 20.0001 Business Auto
Product Name: 2009 CA Form Filings
Project Name/Number: 04-09 AL CA Co. Form Filing/

Comments: Dear Llyweyia Rawlins,

We are amending this filing. We are adding endorsement CL CA 01 34 Arkansas Punitive Damages Definition. The form is attached below. The form is to be attached when any of the 10 E & O forms are used (CL CA 25 15 thru CL CA 25 19 or CL CA 25 26 thru CL CA 25 30).

That will hopefully answer your first paragraph.

Your next 2 paragraphs - do I need to send you an additional \$100.00 or withdraw the manual that I sent for informational purposes? I didn't exactly understand your point. Thank you for your help.

If you need anything else for this filing, please let me know.

Sincerely,

Frances Linker, CPCU, CCP
Sr. Compliance Analyst

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Arkansas Punitive Damages Definition	CL CA 01 34	11 08	Endorsement/Amendment/Conditions	New			CL CA 01 34 11 08.pdf

No Rate/Rule Schedule items changed.

Sincerely,
Frances Linker, Tamara Manuel

SERFF Tracking Number: UNON-125865258

State: Arkansas

First Filing Company: Acadia Insurance Company, ...

State Tracking Number: #10035440 \$50

Company Tracking Number: 09-CA-FM-3

TOI: 20.0 Commercial Auto

Sub-TOI: 20.0001 Business Auto

Product Name: 2009 CA Form Filings

Project Name/Number: 04-09 AL CA Co. Form Filing/

Note To Filer

Created By:

Llyweyia Rawlins on 11/12/2008 10:22 AM

Subject:

Filing Fee

Comments:

Hello Frances

When can we expect the payment for the \$50 filing fee?

You can pay EFT or by check.

Sincerely,

Llyweyia Rawlins

SERFF Tracking Number: UNON-125865258

State: Arkansas

First Filing Company: Acadia Insurance Company, ...

State Tracking Number: #10035440 \$50

Company Tracking Number: 09-CA-FM-3

TOI: 20.0 Commercial Auto

Sub-TOI: 20.0001 Business Auto

Product Name: 2009 CA Form Filings

Project Name/Number: 04-09 AL CA Co. Form Filing/

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Garage Amendatory endorsement	CL CA 01 33	09 08	Endorsement/Amendment/Conditions		0.00	CL CA 01 33 09 08.pdf
Approved	Garage Policy Advantage Endorsement	CL CA 25 11	08 07	Endorsement/Amendment/Conditions	Replaced Form #: GR CA 60 Previous Filing #:	0.00	CL CA 25 11 08 07.pdf
Approved	Automobile Dealers Insurance Agents Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	CL CA 25 15	08 07	Endorsement/Amendment/Conditions		0.00	CL CA 25 15 08 07.pdf
Approved	Automobile Dealers Odometer Statute Errors & Omissions Coverage - \$300,000 Each "Accident" Sublimit	CL CA 25 16	08 07	Endorsement/Amendment/Conditions		0.00	CL CA 25 16 08 07.pdf
Approved	Automobile Dealers Title Errors and Omissions Coverage - \$300,000 Each "Accident"	CL CA 25 17	08 07	Endorsement/Amendment/Conditions		0.00	CL CA 25 17 08 07.pdf

SERFF Tracking Number: UNON-125865258 State: Arkansas
 First Filing Company: Acadia Insurance Company, ... State Tracking Number: #10035440 \$50
 Company Tracking Number: 09-CA-FM-3
 TOI: 20.0 Commercial Auto Sub-TOI: 20.0001 Business Auto
 Product Name: 2009 CA Form Filings
 Project Name/Number: 04-09 AL CA Co. Form Filing/

Sublimit

Approved	Auomobile Dealers Truth in Leasing Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	CL CA 25 08 07 18	Endorseme New nt/Amendm ent/Condi tions	0.00	CL CA 25 18 08 07.pdf
Approved	Atomobile Dealers Truth in Lending Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	CL CA 25 08 07 19	Endorseme New nt/Amendm ent/Condi tions	0.00	CL CA 25 19 08 07.pdf
Approved	Employee Benefits Liability Coverage - Auto Dealers	CL CA 25 08 07 20	Endorseme New nt/Amendm ent/Condi tions	0.00	CL CA 25 20 08 07.pdf
Approved	Automobile Dealers Insurance Agents Errors and Omissions Coverage	CL CA 25 09 08 26	Endorseme New nt/Amendm ent/Condi tions	0.00	CL CA 25 26 09 08.pdf
Approved	Automobile Dealers Odometer Statute Errors and Omissions Coverage	CL CA 25 09 08 27	Endorseme New nt/Amendm ent/Condi tions	0.00	CL CA 25 27 09 08.pdf
Approved	Automobile Dealers Title Errors and Omissions Coverage	CL CA 25 09 08 28	Endorseme New nt/Amendm ent/Condi tions	0.00	CL CA 25 28 09 08.pdf

SERFF Tracking Number:	UNON-125865258	State:	Arkansas
First Filing Company:	Acadia Insurance Company, ...	State Tracking Number:	#10035440 \$50
Company Tracking Number:	09-CA-FM-3		
TOI:	20.0 Commercial Auto	Sub-TOI:	20.0001 Business Auto
Product Name:	2009 CA Form Filings		
Project Name/Number:	04-09 AL CA Co. Form Filing/		

Approved	Automobile Dealers Truth in Leasing Errors and Omissions	CL CA 25 09 08 29	Endorseme New nt/Amendm ent/Condi ons	0.00	CL CA 25 29 09 08.pdf
Approved	Automobile Dealers Truth in Lending Errors and Omissions Coverage	CL CA 25 09 08 30	Endorseme New nt/Amendm ent/Condi ons	0.00	CL CA 25 30 09 08.pdf
Approved	Arkansas Punitive Damages Definition	CL CA 01 11 08 34	Endorseme New nt/Amendm ent/Condi ons		CL CA 01 34 11 08.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GARAGE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – “Garage Operations” – Other Than Covered “Autos” is replaced by the following:

For “garage operations” other than the ownership, maintenance or use of covered “autos”, the following applies:

Regardless of the number of “insureds”, claims made or “suits” brought or persons or organizations making claims or bringing “suits”, the most we will pay for the sum of all damages involving “garage operations” other than “auto” is the Aggregate Limit of Insurance – “Garage Operations” – Other Than Covered “Autos” for Liability Coverage shown in the Declarations.

Damage payable under the Aggregate Limit of Insurance – “Garage Operations” – Other Than Covered “Autos” consist of damages resulting from “garage operations”, other than the ownership, maintenance or use of the “autos” indicated in Section I of this Coverage Form as covered “autos”, including the following coverages, if provided by endorsement:

- a. “Personal injury” liability coverage;
- b. “Personal and advertising injury” liability coverage;
- c. Host liquor liability coverage;
- d. Fire legal liability coverage;
- e. Incidental medical malpractice liability coverage;
- f. Non-owned watercraft coverage;
- g. Broad form products coverage;
- h. Automobile Dealers Insurance Agents Errors and Omissions coverage;
- i. Automobile Dealers Odometer Statute Errors and Omissions coverage;
- j. Automobile Dealers Title Errors and Omissions coverage;
- k. Automobile Dealers Truth In Leasing Errors and Omissions coverage; and

- I. Automobile Dealers Truth in Lending Errors and Omissions coverage.

Damages payable under the Each “Accident” Limit of Insurance – “Garage Operations” – Other Than Covered “Autos” are not payable under the Each “Accident” Limit of Insurance – “Garage Operations” – Covered “Autos”.

Subject to the above:

- (1) The most we will pay for all damages resulting from all “bodily injury” and “property damage” resulting from any one “accident” is the Each “Accident” Limit of Insurance – “Garage Operations” – Other Than Covered “Autos” for Liability Coverage shown in the Declarations.

All “bodily injury” and “property damage” resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one “accident”.

- (2) The most we will pay for all damages resulting from coverage **h.**, **i.**, **j.**, **k.**, or **l.**, respectively, above because of:

- (i) An act, error or omission; or
 - (ii) An act, error or omission, together with a series of related acts, errors or omissions,
- is the limit stated in each respective endorsement.

The Aggregate Limit of Insurance – “Garage Operations” Other Than Covered “Autos” applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Aggregate Limit of Insurance – “Garage Operations” – Other Than Covered “Autos”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GARAGE POLICY ADVANTAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

SUMMARY OF COVERAGE EXTENSIONS

Section No.	Name Of Extension	Limit or Included
A.	Additional Persons Insured	Included
B.	Miscellaneous Additional Insureds	Included
C.	Completed Operations Property Damage Deductible Deleted	Included
D.	Dealers Driveaway Collision Coverage	Included
E.	Economic Loss Coverage (Applicable Only For A Franchised Auto Dealer)	\$2,500 Maximum
F.	False Pretense Coverage (\$50,000 Any One Person) – Franchised Dealers Only	Included
G.	Incidental Medical Malpractice Liability Coverage	Included
H.	Knowledge of Accident, Claim, Suit, or Loss	Included
I.	Legal Liability – Damage To Premises Rented To You (Fire, Lightning, Explosion, or Leakage From Automatic Fire Protective Systems)	\$300,000
J.	Limited Fellow Employee Coverage	Included
K.	Limited Worldwide Liability Coverage	Included
L.	Medical Payments – Garage Locations And Operations	\$5,000
M.	Newly Formed Or Acquired Garage Business – Automatic Coverage	Included
N.	Non-Owned Watercraft Liability Coverage (increased to maximum length)	< 51 Feet
O.	Personal And Advertising Injury Liability Coverage (Per Person/Organization Limit Equal To The Dollar Amount Shown For The Each Accident Limit of Insurance – Garage Operations – Other Than Covered Autos)	Included
P.	Supplementary Payments – Increased Limits:	
	1. Bail Bonds	\$3,000
	2. Loss Of Earnings (Per Day)	\$1,000

The above is a summary only. Please consult the specific provisions that follow for complete information on the extensions provided. If there is a conflict between this summary and the endorsement provisions that follow, the endorsement provisions shall prevail.

SECTION A. ADDITIONAL PERSONS INSURED

Section II – Liability Coverage is changed by adding the following to Paragraph **A.3.b. Who Is An Insured** for "garage operations" other than covered "autos":

If you are a partnership, the spouse of a partner is an "insured" with respect to the conduct of your garage business.

SECTION B. MISCELLANEOUS ADDITIONAL INSUREDS

Paragraph **A.3.b. Who Is An Insured** for "garage operations" other than covered "autos contained in **Section II Liability Coverage** is amended to include as an "insured" any person or organization (referred to as additional "insured" below) described in paragraphs **3.a.** through **3.f.** below when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional "insured" on your policy for "**Garage Operations**" – **Other Than Covered "Autos"**, provided that:

1. The written contract or written agreement is:
 - (a) currently in effect or becoming effective during the term of this policy; and
 - (b) fully executed by you and the additional "insured" prior to the "bodily injury", "property damage", or "personal and advertising injury".
2. The insurance afforded by this provision **Section B. Miscellaneous Additional Insureds** does not apply to any person or organization included as an additional "insured" by a separate endorsement issued by us and made a part of this garage policy or garage coverage part but only to the extent that such separate endorsement provides the same or equivalent coverage as provided under paragraphs **3.a.** through **3.f.** below.
3. Only the following persons or organizations are additional "insureds" under this provision, with coverage for such additional "insureds" limited as provided herein:
 - a. **Owners, Managers Or Lessors of Garage Premises**

An owner, manager or lessor of premises that are covered locations under this policy or coverage part but only with respect to liability arising out of the ownership, maintenance and use of that part of such premises leased to you for "garage operations".

This insurance does not apply to:

- (1) Any "accident" which occurs after you cease to be a tenant in the premises.
- (2) Structural alterations, new construction or demolition operations performed by or for such additional "insured".

b. Owners or Others Interests From Whom Land Has Been Leased

An owner or other interest from whom land has been leased for "garage operations" by you at locations that are covered locations under this policy or coverage part but only with respect to liability arising out of the ownership, maintenance or use of that part of such land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "accident" which takes place after you cease to lease that land; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of the additional "insured".

c. Mortgagee, Assignee, Or Receiver

A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of real property by you at a covered location.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional "insured".

d. Lessor Of Leased Equipment

Any person or organization from whom you lease equipment. Such person or organization is an "insured" only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization, subject to the following additional provisions:

This insurance does not apply to:

- (1) Any "accident" which takes place after the equipment lease expires;
- (2) "Bodily injury", "property damage" or "covered pollution cost or expense" arising out of the sole negligence of the additional "insured"; or

- (3) "Bodily injury", "property damage" or "covered pollution cost or expense" arising out of "work you performed" In connection with such leased equipment.

e. Controlling Interest

Any person(s) or organization(s) with a controlling interest in the Named Insured, but only with respect to their liability arising out of :

- (1) Their financial control of the Named Insured; or
- (2) Premises they own, maintain or control while the Named Insured leases or occupies these premises for "garage operations".

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional "insured"

f. Co-owner Of Insured Premises

A co-owner of a premises co-owned by you and covered under this garage coverage part or policy but only with respect to the co-owner's liability as a co-owner of such premises.

With respect to coverage provided by this provision **Section B. Miscellaneous Additional Insureds**, any insurance provided to an additional "insured" designated under paragraphs 3.a. through 3.f. above does not apply to liability arising out of the sole negligence of such additional "insured(s)".

SECTION C. COMPLETED OPERATIONS PROPERTY DAMAGE DEDUCTIBLE REMOVED

Paragraph **D. Deductible** contained in **Section II – Liability Coverage** is changed as follows:

The \$100 deductible for "property damage" to "autos" that results from work completed by or for you as part of your "garage operations" does not apply.

SECTION D. DEALERS DRIVEAWAY COLLISION COVERAGE

If Collision Coverage is afforded in this policy for Dealers "Autos", as per the types of "autos" and the interests in those "autos" shown in **Item Seven** of the Declarations, then the exclusion under **Section IV – Physical Damage Coverage** relating to collision "loss" to covered "autos" driven or transported more than fifty road miles from point of purchase or distribution to their destination does not apply.

Any insurance provided by this provision, **Section D.** does not apply if Dealers Driveaway Collision Coverage (or any similar or equivalent coverage) has been provided by a separate endorsement issued by us and made a part of this policy or coverage part.

SECTION E. ECONOMIC LOSS COVERAGE APPLICABLE ONLY WHEN THE INSURED IS A FRANCHISED AUTO DEALER

Section IV – Physical Damage Coverage is changed by adding the following:

1. We will also pay for "economic loss" to a covered "auto" if such "auto" is described in **Item Seven – Physical Damage Coverage - Types of Covered Autos And Interests In These Autos - Premiums - Reporting Or Nonreporting Basis** of the Declarations, provided:
 - a. Such "loss" is caused by a covered collision "loss" to such covered "auto", including collision damages as a result of a covered theft of a covered "auto", and
 - b. The cost to repair the covered "auto" exceeds 10% of the "actual dealer cost".
2. This insurance does not apply unless the covered "auto":
 - a. Is:
 - (1) A private passenger type "auto"; or
 - (2) A truck type of 20,000 Gross Vehicle Weight or less;
 - b. Has not been previously titled and registered;
 - c. Has an odometer reading of less than 6,000 miles; and
 - d. Has been repaired for the collision damage which resulted in "economic loss".
3. The most we will pay for "economic loss" to any covered "auto" is \$2,500, or 10% of the "actual dealer cost" of such "auto", whichever is less.
4. Exclusion **B.5.**, regarding "loss" to a covered "auto" due to "diminution in value", contained in **Section IV – Physical Damage Coverage** does not apply to **Section E.** of this endorsement but only to the extent that it conflicts with the provisions of **Section E.**

5. Additional Definitions

As used in this endorsement:

- a. "Actual Dealer Cost" means the amount of the dealer invoice cost plus any dealer or subcontractor installed accessories and enhancements, exclusive of profit, factory hold back, advertising and overhead expense.
- b. "Actual Retail Selling Price" means the final retail sale price of the vehicle, excluding charges for taxes, title, registration and tags.
- c. "Economic loss" means the difference between the "actual dealer cost" and the "actual retail selling price" of a repaired covered dealer "auto" when the "actual retail selling price" of such "auto" is less than the "actual dealer cost".
- d. Gross Vehicle Weight (GVW) is the maximum loaded weight for which a single "auto" is designed, as specified by the manufacturer.

SECTION F. FALSE PRETENSE COVERAGE APPLICABLE ONLY WHEN THE INSURED IS A FRANCHISED AUTOMOBILE DEALER

For the purposes of coverage provided by this endorsement, the following changes are made:

- 1. **Section IV – Physical Damage Coverage** is changed as follows:
 - a. **Covered Autos** is changed as follows:

Any "autos" described in **Item Seven** of the Declarations, including such described "autos" acquired by you, are covered "autos" under False Pretense Coverage.
 - b. The following is added:

We will also pay for "loss" to a covered "auto" under False Pretense Coverage caused by:

 - (1) Someone causing you to voluntarily part with the "auto" by trick, scheme or under false pretenses.
 - (2) Your acquiring an "auto" from a seller who did not have legal title.
 - c. **B. Exclusions** is changed as follows:
 - (1) The False Pretense Exclusion does not apply.

(2) This insurance does not apply under Paragraph **1.b.(1) of Section F.** unless:

- (a) You had legal title to, or consignment papers for, the covered "auto" prior to "loss"; and
- (b) You make every effort to recover the covered "auto" when it is located.

(3) False Pretense Coverage does not apply to a loss in which for any reason a bank or any other drawee fails to pay.

d. **Limits Of Insurance** is changed to add the following:

Under False Pretense Coverage, \$50,000 is the most we will pay for all "loss" caused by any one person within any one year of the policy period.

e. The **Deductible** provision is changed by adding the following:

From our obligation under False Pretense Coverage, we will deduct the actual value of any property delivered to you in full or partial payment for title to or possession of a covered "auto".

2. The following is added to Paragraph **A.2. Duties In The Event Of Accident, Claim, Suit Or Loss** contained in **Section V – Garage Conditions**:

You, or someone on your behalf, must take all reasonable steps to cause a warrant to be issued, as soon as practicable, for the arrest of anyone causing a "loss" defined within the False Pretense Coverage. Failure to cause such warrant to be issued as required by this Condition shall not invalidate any claim made by you, if it is shown that reasonable efforts were made.

3. Any insurance provided by this provision, **Section F.** does not apply if separate False Pretense Coverage (or any similar or equivalent coverage) has been provided by a separate endorsement issued by us and made a part of this policy or coverage part.

SECTION G. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

Section II – Liability Coverage is changed by adding the following exclusion:

This insurance does not apply to any "insured" in the business or occupation of providing any of the services listed under the following definition.

As used in this endorsement:

"Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

"Bodily injury" also includes injury resulting from:

- a. Providing or failing to provide any medical or related professional health care services;
- b. Furnishing food or drink connected with any medical or other professional services; or
- c. Furnishing or dispensing drugs or medical, dental or surgical supplies or appliances;

SECTION H. KNOWLEDGE OF "ACCIDENT", CLAIM, "SUIT" OR "LOSS"

Sub-paragraph a. contained in paragraph A.2. **Duties In The Event Of "Accident", Claim, "Suit" Or "Loss"** under **Section V – Garage Conditions** is replaced by the following:

- a. In the even of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the accident, or "loss" only when the "accident", claim, "suit" or "loss" is known to:
 1. You, if you are an individual;
 2. A partner, if you are a partnership;
 3. A manager, if you are a limited liability company; or
 4. An "executive officer", or the "employee" designated by you to give such notice, if you are an organization other than a partnership or a limited liability company.

Include:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

As used in **Section H.** of this endorsement, "executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

SECTION I. LEGAL LIABILITY – DAMAGE TO PREMISES RENTED TO YOU

Section II – Liability Coverage for "Garage Operations" – Other Than Covered "Autos" is changed as follows:

1. The insurance applies to "property damage" caused by fire, lightning, explosion, or leakage from automatic fire protective systems to premises while rented to you or temporarily occupied by you with the permission of the owner.
2. Exclusions 3. through 17. contained in **B. Exclusions** do not apply to the insurance provided by **Section I.** of this endorsement.
3. Subject to the **Aggregate Limit of Insurance - 'Garage Operations' - Other Than Covered "Autos"**, the most we will pay for all "property damage" to any one premises while rented to you, or temporarily occupied by you with permission of the owner, caused by fire, lightning, explosion, or leakage from automatic fire protective systems is **\$300,000.**
4. This insurance is excess over any collectible property insurance (including any deductible portion of that insurance) available to the "insured".
5. Any insurance provided by **Section I.** does not apply if separate **Legal Liability – Damage To Premises Rented To You Coverage** (or any similar or equivalent coverage, such as, but not limited to, Fire Legal Liability Coverage) has been provided by a separate endorsement issued by us and made a part of this policy or coverage part, but only to the extent that such separate endorsement provides the same or equivalent coverage as provided by this provision.

SECTION J. LIMITED FELLOW EMPLOYEE COVERAGE

The **Fellow Employee Exclusion**, Paragraph B.5., contained in **Section II – Liability Coverage** is replaced by the following:

Fellow Employee

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

However, this exclusion does not apply to liability incurred by "employees" that are "executive officers", managers, or directors of yours.

Such coverage is excess over any other collectible insurance, and the **Other Insurance** provision, B.5. contained in **Section V – Garage Conditions** is changed accordingly.

As used in this provision **Section J. Limited Fellow Employee Coverage**, "executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

Any insurance provided by this provision **Section J. Limited Fellow Employee Coverage** does not apply if separate Fellow Employee Coverage (or any similar or equivalent coverage) has been provided by a separate endorsement issued by us and made a part of this policy or coverage part.

SECTION K. LIMITED WORLDWIDE LIABILITY COVERAGE

B.7. Policy Period, Coverage Territory contained in **Section V – Garage Conditions** is changed as follows:

1. The last paragraph is replaced by the following:

With respect to **"Garage Operations" – Other Than Covered "Autos"** contained in **Section II – Liability Coverage**, the coverage territory is extended to anywhere in the world if:

- a. The "bodily injury" or "property damage" is caused by one of your "products" which is sold for use in the United States of America, its territories or possessions, Puerto Rico or Canada; or
- b. The "bodily injury" or "property damage" is caused by an "insured" who permanently lives within the United States of America, its territories or possessions, Puerto Rico or Canada while the "insured" is temporarily outside of one of those places on your garage business.

The original "suit" for damages resulting from such "bodily injury" or "property damage" must be brought in the United States of America, its territories or possessions, Puerto Rico or Canada.

2. The following is added:

We will not provide **Limited Worldwide Liability Coverage** for any "work you performed".

SECTION L. MEDICAL PAYMENTS – GARAGE LOCATIONS AND OPERATIONS

1. **Coverage**

We will pay reasonable medical and funeral expenses to or for each person who sustains "bodily injury" to which this coverage applies, caused by an "accident" and resulting from:

- a. The maintenance or use of the locations shown in the Declarations and that portion of the roads or other accesses that adjoin these locations for garage business.

- b. All operations necessary or incidental to a garage business.

We will pay only those expenses incurred for services rendered within one year from the date of the "accident".

2. Exclusions

This coverage does not apply to:

- a. "Bodily injury" resulting from the maintenance or use of any "auto".
- b. "Bodily injury" to a person, whether or not an "employee" of any "insured", if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- c. "Bodily injury" arising directly or indirectly out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

- d. "Bodily injury" to any "insured".

3. Limit Of Insurance

Regardless of the number of persons who sustain "bodily injury" or claims made, the most we will pay for "bodily injury" for each person injured in any one "accident" is the greater of **\$5,000** or the limit shown for Garage Locations And Operations Medical Payments Coverage in **Item Two** of the Declarations.

4. Changes In Conditions

Paragraph **A.5. Transfer Of Rights Of Recovery Against Others To Us** contained in **Section V – Garage Conditions** does not apply to the coverage provided by **Section L..**

SECTION M. NEWLY FORMED OR ACQUIRED GARAGE BUSINESS – AUTOMATIC COVERAGE

"Insured" means any person or organization qualifying as an "insured" in the **Who Is An Insured** provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each "insured" who is seeking coverage or against whom a claim or "suit" is brought.

"Insured" also includes as named "insured" any garage business that is acquired or formed by you and over which you maintain ownership or majority interest.

However, "insured" does not include any garage business:

1. That is a joint venture;
2. That is an "insured" under any other similar liability or indemnity policy;
3. That has exhausted its Limit of Insurance under any other similar liability or indemnity policy; or
4. That is excluded either by the provisions of this policy or coverage part, or by endorsement.

Coverage under this provision is afforded only until the end of the policy period in which you acquire or form the garage business, or until the next anniversary date of this policy's effective date, whichever is earlier.

However, coverage under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred before you acquired or formed the garage business; or
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the garage business.

SECTION N. NON-OWNED WATERCRAFT COVERAGE

Section II – Liability Coverage is changed as follows:

1. The **Watercraft or Aircraft** Exclusion is replaced by the following:

This insurance does not apply to:

- a. Any aircraft; or
- b. Any watercraft except a watercraft under 51 feet that is not owned by you nor being used to carry persons or property for a charge.

But this exclusion does not apply to watercraft while ashore on premises where you conduct "garage operations".

2. If there is other applicable insurance covering damages payable under Non-Owned Watercraft Coverage, we will not make any payments under this coverage.

SECTION O. PERSONAL AND ADVERTISING INJURY LIABILITY COVERAGE

The following is added to **Liability Coverage** for **"Garage Operations" – Other Than Covered "Autos"**:

1. Insuring Agreement

We will pay all sums the "insured" legally must pay as damages because of "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed during the Policy Period shown in the Declarations and within the Coverage Territory.

We will have the right and duty to defend any "insured" against a "suit" seeking those damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate, but:

- (1) The amount we will pay for damages is limited as described in paragraph 5. **Personal And Advertising Injury Limit Of Insurance** of **Section O.**; and
- (2) Our duty to defend ends when the applicable limit of insurance, as described in 5. **Personal And Advertising Injury Limit Of Insurance** of **Section O.**, has been exhausted by payment of judgments or settlements.

2. Who Is An Insured

The following are "insureds":

- a. You and your spouse.
- b. Your partners (if you are a partnership) and their spouses or members (if you are a limited liability company) and their spouses. None of your partners (if you are a partnership) or their spouses nor your members (if you are a limited liability company) or their spouses is an "insured" for "personal and advertising injury" resulting from the conduct of any other partnership.

- c. Your "employees", "executive officers", directors and stockholders but only while acting within the scope of their duties.

3. Coverage Extensions

The following applies as Supplementary Payments. We will pay for the "insured":

- a. All expenses we incur.
- b. The cost of bonds to release attachments in any "suit" against an "insured" we defend, but only for bond amounts within the Personal And Advertising Injury Limit of Insurance.
- c. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to **\$1,000** a day because of time off from work.
- d. All costs taxed against the "insured" in any "suit" against an "insured" we defend.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against an "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay, or deposited in court the part of the judgment that is within the Personal And Advertising Injury Limit of Insurance.

These payments will not reduce the Personal And Advertising Limit of Insurance.

4. Exclusions

- a. This insurance does not apply to "Personal and Advertising Injury":
 - 1. For which the "insured" has assumed liability in a contract or agreement. But this exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.
 - 2. Caused by or at the direction of the "insured" with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".
 - 3. Arising out of oral or written publication of material, if done by or at the direction of the "insured" with knowledge of its falsity.
 - 4. Arising out of oral or written publication of material whose first publication took place before the effective date of this insurance.

- 5. Arising out of a criminal act committed by or at the direction of any "insured".
- 6. Arising out of breach of contract, except an implied contract to use another's advertising idea in your "advertisement".
- 7. Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".
- 8. Arising out of the wrong description of the price of goods, products or services stated in your "advertisement".
- 9. Arising out of an electronic chatroom or bulletin board the "insured" hosts, owns, or over which the "insured" exercises control.
- 10. Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.
- 11. Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

- 12. However caused, arising directly or indirectly out of:
 - (a) War, including undeclared or civil war;
 - (b) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (c) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- 13. To:
 - (a) A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or

- (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - (b) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in Paragraphs (1), (2) or (3) above is directed.
- This exclusion applies:
- (c) Whether the "insured" may be liable as an employer or in any other capacity; and
 - (d) To any obligation to share damages with or repay someone else who must pay damages because of injury.
14. Arising directly or indirectly out of any action or omission that violates or is alleged to violate:
- (a) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
 - (b) The CAN-SPAM Act of 2003, including any amendment of or additional to such law; or
 - (c) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.
15. Arising out of actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
16. Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

- b. The following is added to Paragraph **B. Exclusions** contained in **Section II – Liability Coverage**:

Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

5. Personal And Advertising Injury Limit Of Insurance

The following is added to Paragraph **C.1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** contained in **SECTION II – Liability Coverage**:

Subject to the **Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** and regardless of the number of "insureds", claims made or "suits" brought or persons or organizations making claims or bringing "suits", the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is a limit equal to the dollar amount shown for the **Each "Accident" – "Garage Operations" – Other Than Covered "Autos" Only** limit for Liability Coverage under **Item Two – Schedule Of Coverages And Covered Autos** in the Garage Declarations.

However, the Limit of Insurance for **Each "Accident" – "Garage Operations" – Covered "Autos"** shown in the Garage Declarations for Liability Coverage does not apply to damages we pay because of "personal and advertising injury".

If the policy is issued for a period of more than one year, the Personal And Advertising Injury Limit Of Insurance will apply separately to each consecutive annual period.

6. Changes In Conditions

The **Policy Period, Coverage Territory** Garage Condition is changed by adding the following:

We also cover "personal and advertising injury" that occurs during the policy period shown in the Declarations and within the coverage territory.

For the purposes of this provision, **Section O. – Personal and Advertising Injury Liability Coverage**, the coverage territory is extended to anywhere in the world if:

- a. The "personal and advertising injury" is caused by an "insured" who permanently lives within the coverage territory while such "insured" is temporarily outside of one of those places on your business; or
- b. The "personal and advertising injury" offense takes place through the Internet or similar electronic means of communication.

The original "suit" for damages resulting from such "personal and advertising injury" must be brought within the coverage territory.

7. Additional Definitions

As used in **Section O.** of this endorsement:

- a. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - (4) Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

- (5) Oral or written publication, in any manner, of material that violates a person's right of privacy.

- (6) The use of another's advertising idea in your "advertisement"; or

- (7) Infringing upon another's copyright, trade dress or slogan in your "advertisement".

- b. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- (1) Notices that are published include material placed on the Internet or on similar electronic means of communication; and

- (2) Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

- c. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

SECTION P. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

The following changes are made to the **Supplementary Payments** provision, **A.4.a.**, contained in the **Section II – Liability Coverage**:

- 1. The limit shown in paragraph **A.4.a.(2)** for the cost of bail bonds is changed from \$2,000 to **\$3,000**.
- 2. The limit shown in paragraph **A.4.a.(4)** for all reasonable expenses incurred at our request, including actual loss of earnings because of time off work, is changed from up to \$250 to up to **\$1,000** a day.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE DEALERS INSURANCE AGENTS ERRORS AND OMISSIONS COVERAGE - \$300,000 EACH "ACCIDENT" SUBLIMIT

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A.** For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.1. "Garage Operations" – Other Than Covered "Autos"** is changed by adding the following:
- 1.** We will also pay all sums an "insured" legally must pay as damages because of negligent acts, errors or omissions to which this coverage applies. We have the right and duty to defend the "insured" against a "suit" asking for these damages. However, we have no duty to defend the "insured" against a "suit" seeking damages for errors or omissions to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:
 - a.** The amount we pay for damages is limited as described in Paragraph **E. Limit of Insurance** below; and
 - b.** Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
 - 2.** This insurance applies to damages only if:
 - a.** The damages take place in the "coverage territory";
 - b.** The damages occur during the policy period;
 - c.** Prior to the policy period, no "insured" listed under Who Is An Insured and no "employee" authorized by you to give or receive notice of a claim, knew that the damages had occurred, in whole or in part. If such listed "insured" or authorized "employee" knew prior to the policy period that the damages occurred, then any continuation of or change in such damages during or after the policy period will be deemed to have been known prior to the policy period; and
 - d.** The damages arise out of a negligent act, error or omission by:
 - (1)** the "insured"; or
 - (2)** Any other person for whose acts the "insured" is legally liable,

in the conduct of your business as an "insurance agent or broker", and then only with respect to the sale or placement of Credit Life, Health, Accident, Disability, or Automobile Physical Damage Insurance in connection with "autos" sold by your "auto" dealership.
 - 3.** Damages will be deemed to have been known to have occurred at the earliest time when any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of a claim:
 - a.** Reports all, or any part, of the damages to us or any other insurer;
 - b.** Receives a written or verbal demand or claim for damages; or
 - c.** Becomes aware by any other means that damages have occurred or have begun to occur.

- B. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are “insureds”:

1. You.
2. Your partners (if you are a partnership), members (if you are a limited liability company), “employees”, directors or shareholders, but all only while acting within the scope of their duties as such.

No person or organization is an “insured” with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Coverage**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. The following supplementary payment is added:

The cost of appeal bonds required in any “suit” against an “insured” we defend but without any obligation to apply for or furnish such bonds.

3. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the “insured” at our request, including up to \$1,000 a day because of time off from work.

- D. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Coverage** is deleted in its entirety and replaced by the following:

EXCLUSIONS

This insurance does not apply to any of the following:

1. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

“Bodily injury”, “property damage”, or “personal and advertising injury”.

2. Expected Or Intended Damages

Damages expected or intended from the standpoint of the “insured”.

3. Dishonest, Fraudulent, Criminal Or Malicious Act

Any claims or “suits” arising out of any intentional, dishonest, criminal, fraudulent or malicious act, error or omission, committed by or at the direction of any “insured”, whether acting alone or in collusion with others, including, but not limited to, the willful, reckless or knowing violation of any statute, law, regulation or ordinance.

4. Contractual

Liability assumed by the “insured” in any contract or agreement. This exclusion does not apply to liability for damages that the “insured” would have in the absence of the contract or agreement.

5. Employers Liability

Injury to:

- a. An “employee” of the “insured” arising out of and in the course of:
 - (1) Employment by the “insured”; or
 - (2) Performing the duties related to the conduct of the “insured’s” business; or
- b. The spouse, child, parent, brother or sister of that “employee” as a consequence of Paragraph **D.5.a.** above.

6. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

7. Workers’ Compensation And Similar Laws

Any obligation of the “insured” under a workers’ compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

8. Pollution

Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants” at any time.

9. Pollution-Related

Any loss, cost or expense arising out of any:

- a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

10. War

Damages however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

11. Breach Of Contract

Damages arising out of a breach of contract.

12. Punitive Damages

Any claim for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person.

- E. For the purposes of coverage provided by this endorsement, Paragraph **C. Limit Of Insurance** contained in **Section II – Liability Coverage** is replaced by the following:

Limit Of Insurance

1. The Limits of Insurance and the rules shown below fix the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits"; or

- d. Acts, errors or omissions.

2. Subject to the **Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** as amended by the **Garage Amendatory Endorsement CL CA 01 33**, the most we will pay for all damages because of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed in the conduct of your business as an "insurance agent or broker" is \$300,000.

- F. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE

1. Our obligation under this insurance to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000. We will deduct \$1,000 from the amounts payable under this coverage for each claim or "suit".
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend the "insured" against a "suit" seeking those damages; and
 - b. Your duties in the event of a claim or "suit"apply irrespective of the application of the deductible amount.
3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

G. For the purposes of coverage provided by this endorsement, Paragraph **A. Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. Duties In The Event Of An Act, Error Or Omission, Or Claim or Suit

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:

(1) What the act, error, or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error, or omission.

b. If a claim is made or "suit" is brought against any "insured", you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as possible.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved "insured" must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply; and

(5) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

2. Legal Action Against Us

No person or organization has a right:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or

b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

H. For the purposes of coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph **B.4. No Benefit To Bailee – Physical Damage Coverages** does not apply.

2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

This insurance is primary. Our obligations are not affected unless there is other valid and collectible primary insurance available to the "insured" for a loss we cover under this coverage. Then, we will pay only our share.

Our share is the proportion that the applicable Limit of Insurance of this endorsement bears to the total applicable limits of insurance of all the coverage forms and policies covering on the same basis.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

We cover damages occurring during the policy period shown in the Declarations and within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

- I. For the purposes of coverage provided by this endorsement, the following changes are made to **Section VI – Definitions**:

1. Paragraph **P. "Suit"** is deleted and replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

2. The following definition is added:

"Insurance Agent or Broker" means an agent or broker licensed by the State for selling and servicing insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE DEALERS ODOMETER STATUTE ERRORS AND OMISSIONS COVERAGE – \$300,000 EACH “ACCIDENT” SUBLIMIT

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A.** For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.1. “Garage Operations” – Other Than Covered “Autos”** is changed by adding the following:
- 1.** We will also pay all sums an "insured" legally must pay as damages because of negligent acts, errors or omissions to which this coverage applies. We have the right and duty to defend the "insured" against a "suit" asking for these damages. However, we have no duty to defend the "insured" against a "suit" seeking damages for errors or omissions to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:
 - a.** The amount we pay for damages is limited as described in Paragraph **E. Limit of Insurance** below; and
 - b.** Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
 - 2.** This insurance applies to damages only if:
 - a.** The damages take place in the “coverage territory”:
 - b.** The damages occur during the policy period;
 - c.** Prior to the policy period, no “insured” listed under **Who Is An Insured** and no “employee” authorized by you to give or receive notice of a claim, knew that the damages had occurred, in whole or in part. If such listed “insured” or authorized “employee” knew prior to the policy period that the damages occurred, then any continuation of or change in such damages during or after the policy period will be deemed to have been known prior to the policy period; and
 - d.** The damages are because of a negligent act, error or omission resulting in failure to comply with **Title IV Odometer Requirements of the Motor Vehicle Information And Cost Savings Act (Public Law 92-513:86 Stat. 947)**, and as may be amended from time to time, or any similar state act, statute or law.
 - 3.** Damages will be deemed to have been known to have occurred at the earliest time when any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of a claim:
 - a.** Reports all, or any part, of the damages to us or any other insurer;
 - b.** Receives a written or verbal demand or claim for damages; or
 - c.** Becomes aware by any other means that damages have occurred or have begun to occur.

- B. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are "insureds":

1. You.
2. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders but only while acting within the scope of their duties.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Coverage**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the "insured" at our request, including up to \$1,000 a day because of time off from work.

- D. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Coverage** is deleted in its entirety and replaced by the following:

EXCLUSIONS:

This insurance does not apply to any of the following:

1. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage", or "personal and advertising injury".

2. **Expected Or Intended Damages**

Damages expected or intended from the standpoint of the "insured".

3. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Any claims or "suits" arising out of any intentional, dishonest, criminal, fraudulent or malicious act, error or omission, committed by or at the direction of any "insured", whether acting alone or in collusion with others, including, but not limited to, the willful, reckless or knowing violation of any statute, law, regulation or ordinance.

4. **Contractual**

Liability assumed by the "insured" in any contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

5. **Employers Liability**

Injury to:

- a. An "employee" of the "insured" arising out of and in the course of:

- (1) Employment by the "insured"; or
- (2) Performing the duties related to the conduct of the "insured's" business; or

- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **D.5.a.** above.

6. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

7. **Workers' Compensation And Similar Laws**

Any obligation of the "insured" under a workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

8. **Aircraft, Auto Or Watercraft**

Damages arising out of the ownership, maintenance, use (including loading or unloading) or entrustment to others of any aircraft, "auto" or watercraft.

However, this exclusion does not apply to odometer alteration or tampering for "autos" as is otherwise provided by this endorsement for "autos" handled by your dealership, unless intentionally or fraudulently committed by an "insured".

9. Pollution

Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

10. Pollution-Related

Any loss, cost or expense arising out of any:

- a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

11. War

Damages however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

12. Breach Of Contract

Damages arising out of a breach of contract.

13. Punitive Damages

Any claim for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person..

- E. For the purposes of coverage provided by this endorsement, Paragraph **C. Limit Of Insurance** contained in **Section II – Liability Coverage** is replaced by the following:

Limit Of Insurance

1. The Limits of Insurance and the rules shown below fix the most we will pay regardless of the number of:

- a. "Insureds";
- b. Claims made or "suits" brought;
- c. Persons or organizations making claims or bringing "suits"; or
- d. Acts, errors or omissions.

2. Subject to the **Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** as amended by the **Garage Amendatory Endorsement CL CA 01 33**, the most we will pay for all damages because of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed and resulting in failure to comply with **Title IV Odometer Requirements of the Motor Vehicle Information And Cost Savings Act (Public Law 92-513:86 Stat. 947)**, and as may be amended from time to time, or any similar state act, statute or law is \$300,000.

- F. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage – D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE

1. Our obligation under this insurance to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000. We will deduct \$1,000 from the amounts payable under this coverage for each claim or "suit".
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend the "insured" against a "suit" seeking those damages; and
 - b. Your duties in the event of a claim or "suit"apply irrespective of the application of the deductible amount.
3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

G. For the purposes of coverage provided by this endorsement, Paragraph **A. Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. Duties In The Event Of An Act, Error Or Omission, Or Claim or Suit

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:

(1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a claim is made or "suit" is brought against any "insured", you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as possible.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved "insured" must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply; and

(5) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

2. Legal Action Against Us

No person or organization has a right:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or

b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

H. For the purposes of coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph **B.4. No Benefit To Bailee – Physical Damage Coverages** does not apply.

2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

This insurance is primary. Our obligations are not affected unless there is other valid and collectible primary insurance available to the "insured" for a loss we cover under this coverage. Then, we will pay only our share.

Our share is the proportion that the applicable Limit of Insurance of this endorsement bears to the total applicable limits of insurance of all the coverage forms and policies covering on the same basis.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

We cover damages occurring during the policy period shown in the Declarations and within the "coverage territory".

The "coverage territory" is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

- I. For the purposes of coverage provided by this endorsement, Paragraph **P. "Suit"** contained in **Section VI – Definitions** is deleted and replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE DEALERS TITLE ERRORS AND OMISSIONS COVERAGE – \$300,000 EACH “ACCIDENT” SUBLIMIT

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A.** For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.1. “Garage Operations” – Other Than Covered “Autos”** is changed by adding the following:
- 1.** We will also pay all sums an "insured" legally must pay as damages because of negligent acts, errors or omissions to which this coverage applies. We have the right and duty to defend the "insured" against a "suit" asking for these damages. However, we have no duty to defend the "insured" against a "suit" seeking damages for errors or omissions to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:
 - a.** The amount we pay for damages is limited as described in Paragraph **E. Limit of Insurance** below; and
 - b.** Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
 - 2.** This insurance applies to damages only if:
 - a.** The damages take place in the “coverage territory”:
 - b.** The damages occur during the policy period;
 - c.** Prior to the policy period, no “insured” listed under **Who Is An Insured** and no “employee” authorized by you to give or receive notice of a claim, knew that the damages had occurred, in whole or in part. If such listed “insured” or authorized “employee” knew prior to the policy period that the damages occurred, then any continuation of or change in such damages during or after the policy period will be deemed to have been known prior to the policy period; and
 - d.** The damages result from your failure to properly specify the lienholder or legal owner on vehicle title registration papers for vehicles sold by your “auto” dealership whereupon the purchaser, with criminal intent, sells or transfers the title of such vehicle(s).
 - 3.** Damages will be deemed to have been known to have occurred at the earliest time when any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of a claim:
 - a.** Reports all, or any part, of the damages to us or any other insurer;
 - b.** Receives a written or verbal demand or claim for damages; or
 - c.** Becomes aware by any other means that damages have occurred or have begun to occur.

- B. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are "insureds":

1. You.
2. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders but only while acting within the scope of their duties.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Coverage**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the "insured" at our request, including up to \$1,000 a day because of time off from work.

- D. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Coverage** is deleted in its entirety and replaced by the following:

EXCLUSIONS:

This insurance does not apply to any of the following:

1. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage", or "personal and advertising injury".

2. **Expected Or Intended Damages**

Damages expected or intended from the standpoint of the "insured".

3. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Any claims or "suits" arising out of any intentional, dishonest, criminal, fraudulent or malicious act, error or omission, committed by or at the direction of any "insured", whether acting alone or in collusion with others, including, but not limited to, the willful, reckless or knowing violation of any statute, law, regulation or ordinance.

4. **Contractual**

Liability assumed by the "insured" in any contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

5. **Employers Liability**

Injury to:

- a. An "employee" of the "insured" arising out of and in the course of:

- (1) Employment by the "insured"; or
- (2) Performing the duties related to the conduct of the "insured's" business; or

- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **D.5.a.** above.

6. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

7. **Workers' Compensation And Similar Laws**

Any obligation of the "insured" under a workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

8. **Aircraft, Auto Or Watercraft**

Damages arising out of the ownership, maintenance, use (including loading or unloading) or entrustment to others of any aircraft, "auto" or watercraft.

9. **Pollution**

Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

10. Pollution-Related

Any loss, cost or expense arising out of any:

- a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

11. War

Damages however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

12. Breach Of Contract

Damages arising out of a breach of contract.

13. Punitive Damages

Any claim for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person.

- E. For the purposes of coverage provided by this endorsement, Paragraph **C. Limit Of Insurance** contained in **Section II – Liability Coverage** is replaced by the following:

Limit Of Insurance

1. The Limits of Insurance and the rules shown below fix the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits"; or

- d. Acts, errors or omissions.

2. Subject to the **Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** as amended by the **Garage Amendatory Endorsement CL CA 01 33**, the most we will pay for all damages because of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed and resulting in your failure to properly specify the lienholder or legal owner on vehicle title registration papers for vehicles sold by you is \$300,000.

- F. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage – D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE

1. Our obligation under this insurance to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000. We will deduct \$1,000 from the amounts payable under this coverage for each claim or "suit".
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend the "insured" against a "suit" seeking those damages; and
 - b. Your duties in the event of a claim or "suit"apply irrespective of the application of the deductible amount.
3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

- G. For the purposes of coverage provided by this endorsement, Paragraph **A. Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. **Duties In The Event Of An Act, Error Or Omission, Or Claim or "Suit"**

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and
 - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- b. If a claim is made or "suit" is brought against any "insured", you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as possible.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved "insured" must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply; and
- (5) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

2. Legal Action Against Us

No person or organization has a right:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or
- b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

- H. For the purposes of coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph **B.4. No Benefit To Bailee – Physical Damage Coverages** does not apply.

2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

This insurance is primary. Our obligations are not affected unless there is other valid and collectible primary insurance available to the "insured" for a loss we cover under this coverage. Then, we will pay only our share.

Our share is the proportion that the applicable Limit of Insurance of this endorsement bears to the total applicable limits of insurance of all the coverage forms and policies covering on the same basis.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

We cover damages occurring during the policy period shown in the Declarations and within the "coverage territory".

The "coverage territory" is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

- I. For the purposes of coverage provided by this endorsement, Paragraph **P. "Suit"** contained in **Section VI – Definitions** is deleted and replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE DEALERS TRUTH IN LEASING ERRORS AND OMISSIONS COVERAGE - \$300,000 EACH "ACCIDENT" SUBLIMIT

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A.** For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.1. "Garage Operations" – Other Than Covered "Autos"** is changed by adding the following:
- 1.** We will also pay all sums an "insured" legally must pay as damages because of negligent acts, errors or omissions to which this coverage applies. We have the right and duty to defend the "insured" against a "suit" asking for these damages. However, we have no duty to defend the "insured" against a "suit" seeking damages for errors or omissions to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:
 - a.** The amount we pay for damages is limited as described in Paragraph **E. Limit of Insurance** below; and
 - b.** Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
 - 2.** This insurance applies to damages only if:
 - a.** The damages take place in the "coverage territory";
 - b.** The damages occur during the policy period;
 - c.** Prior to the policy period, no "insured" listed under **Who Is An Insured** and no "employee" authorized by you to give or receive notice of a claim, knew that the damages had occurred, in whole or in part. If such listed "insured" or authorized "employee" knew prior to the policy period that the damages occurred, then any continuation of or change in such damages during or after the policy period will be deemed to have been known prior to the policy period; and
 - d.** The damages are because of a negligent act, error or omission resulting in failure to comply with **Section 182 (Consumer Lease Disclosures) of the Consumer Leasing Act of 1978 (Public Law 94-240:90 Stat. 258)**, and as may be amended from time to time, or any similar state consumer leasing disclosures act, statute or law, but only in connection with "autos" rented or leased to others by your "auto" dealership.
 - 3.** Damages will be deemed to have been known to have occurred at the earliest time when any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of a claim:
 - a.** Reports all, or any part, of the damages to us or any other insurer;
 - b.** Receives a written or verbal demand or claim for damages; or
 - c.** Becomes aware by any other means that damages have occurred or have begun to occur.

- B. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are "insureds":

1. You.
2. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders but only while acting within the scope of their duties.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Coverage**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the "insured" at our request, including up to \$1,000 a day because of time off from work.

- D. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Coverage** is deleted in its entirety and replaced by the following:

EXCLUSIONS

This insurance does not apply to any of the following:

1. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage", or "personal and advertising injury".

2. **Expected Or Intended Damages**

Damages expected or intended from the standpoint of the "insured".

3. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Any claims or "suits" arising out of any intentional, dishonest, criminal, fraudulent or malicious act, error or omission, committed by or at the direction of any "insured", whether acting alone or in collusion with others, including, but not limited to, the willful, reckless or knowing violation of any statute, law, regulation or ordinance.

4. **Contractual**

Liability assumed by the "insured" in any contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

5. **Employers Liability**

Injury to:

- a. An "employee" of the "insured" arising out of and in the course of:

- (1) Employment by the "insured"; or
- (2) Performing the duties related to the conduct of the "insured's" business; or

- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **D.5.a.** above.

6. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

7. **Workers' Compensation And Similar Laws**

Any obligation of the "insured" under a workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

8. **Aircraft, Auto Or Watercraft**

Damages arising out of the ownership, maintenance, use (including loading or unloading) or entrustment to others of any aircraft, "auto" or watercraft.

9. **Pollution**

Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

10. Pollution-Related

Any loss, cost or expense arising out of any:

- a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

11. War

Damages however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

12. Breach Of Contract

Damages arising out of a breach of contract.

13. Punitive Damages

Any claim for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person.

- E. For the purposes of coverage provided by this endorsement, Paragraph **C. Limit Of Insurance** contained in **Section II – Liability Coverage** is replaced by the following:

Limit Of Insurance

1. The Limits of Insurance and the rules shown below fix the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits"; or

- d. Acts, errors or omissions.

2. Subject to the **Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** as amended by the **Garage Amendatory Endorsement CL CA 01 33**, the most we will pay for all damages because of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed and resulting in failure to comply with **Section 182 (Consumer Lease Disclosures) of the Consumer Leasing Act of 1978 (Public Law 94-240:90 Stat 258)**, as may be amended from time to time, or any similar state consumer leasing disclosures act, statute or law, in connection with "autos" rented or leased by your "auto" dealership is \$300,000.

- F. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE

1. Our obligation under this insurance to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000. We will deduct \$1,000 from the amounts payable under this coverage for each claim or "suit".
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend the "insured" against a "suit" seeking those damages; and
 - b. Your duties in the event of a claim or "suit"apply irrespective of the application of the deductible amount.
3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

G. For the purposes of coverage provided by this endorsement, Paragraph **A. Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. Duties In The Event Of An Act, Error Or Omission, Or Claim or Suit

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:

(1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a claim is made or "suit" is brought against any "insured", you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as possible.

You must see to it that we receive written notice of the claim as soon as practicable.

c. You and any other involved "insured" must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply; and

(5) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

2. Legal Action Against Us

No person or organization has a right:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or

b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

H. For the purposes of coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph B.4. No Benefit To Bailee – Physical Damage Coverages does not apply.

2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

This insurance is primary. Our obligations are not affected unless there is other valid and collectible primary insurance available to the "insured" for a loss we cover under this coverage. Then, we will pay only our share.

Our share is the proportion that the applicable Limit of Insurance of this endorsement bears to the total applicable limits of insurance of all the coverage forms and policies covering on the same basis.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

We cover damages occurring during the policy period shown in the Declarations and within the "coverage territory".

The "coverage territory" is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

- I. For the purposes of coverage provided by this endorsement, Paragraph **P. "Suit"** contained in **Section VI – Definitions** is deleted and replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE DEALERS TRUTH IN LENDING ERRORS AND OMISSIONS COVERAGE - \$300,000 EACH "ACCIDENT" SUBLIMIT

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A.** For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.1. "Garage Operations" – Other Than Covered "Autos"** is changed by adding the following:
- 1.** We will also pay all sums an "insured" legally must pay as damages because of negligent acts, errors or omissions to which this coverage applies. We have the right and duty to defend the "insured" against a "suit" asking for these damages. However, we have no duty to defend the "insured" against a "suit" seeking damages for errors or omissions to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:
 - a.** The amount we pay for damages is limited as described in Paragraph **E. Limit of Insurance** below; and
 - b.** Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
 - 2.** This insurance applies to damages only if:
 - a.** The damages take place in the "coverage territory";
 - b.** The damages occur during the policy period;
 - c.** Prior to the policy period, no "insured" listed under **Who Is An Insured** and no "employee" authorized by you to give or receive notice of a claim, knew that the damages had occurred, in whole or in part. If such listed "insured" or authorized "employee" knew prior to the policy period that the damages occurred, then any continuation of or change in such damages during or after the policy period will be deemed to have been known prior to the policy period; and
 - d.** The damages are because of a negligent act, error or omission resulting in failure to comply with **Section 130, Civil Liability Of Title I (Truth In Lending Act) Of The Consumer Protection Act (Public Law 90-321:82 Stat. 146)**, and as may be amended from time to time, or any similar state consumer credit act, statute or law, but only in connection with "autos" sold by your "auto" dealership.
 - 3.** Damages will be deemed to have been known to have occurred at the earliest time when any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of a claim:
 - a.** Reports all, or any part, of the damages to us or any other insurer;
 - b.** Receives a written or verbal demand or claim for damages; or
 - c.** Becomes aware by any other means that damages have occurred or have begun to occur.

- B. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are "insureds":

1. You.
2. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders but only while acting within the scope of their duties.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Coverage**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the "insured" at our request, including up to \$1,000 a day because of time off from work.

- D. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Coverage** is deleted in its entirety and replaced by the following:

EXCLUSIONS:

This insurance does not apply to any of the following:

1. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage", or "personal and advertising injury".

2. **Expected Or Intended Damages**

Damages expected or intended from the standpoint of the "insured".

3. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Any claims or "suits" arising out of any intentional, dishonest, criminal, fraudulent or malicious act, error or omission, committed by or at the direction of any "insured", whether acting alone or in collusion with others. This includes, but is not limited to, the willful, reckless or knowing violation of any statute, law, regulation or ordinance.

4. **Violation Of The Criminal Liability Section Of Consumer Credit Protection Act**

Any claims or "suits" arising out of violation of **Section 112, Criminal Liability of Title I of The Consumer Credit Protection Act** and as may be amended from time to time.

5. **Contractual**

Liability assumed by the "insured" in any contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

6. **Employers Liability**

Injury to:

- a. An "employee" of the "insured" arising out of and in the course of:

(1) Employment by the "insured"; or

(2) Performing the duties related to the conduct of the "insured's" business; or

- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **D.6.a.** above.

7. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

8. **Workers' Compensation And Similar Laws**

Any obligation of the "insured" under a workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

9. **Aircraft, Auto Or Watercraft**

Damages arising out of the ownership, maintenance, use (including loading or unloading) or entrustment to others of any aircraft, "auto" or watercraft.

10. Pollution

Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

11. Pollution-Related

Any loss, cost or expense arising out of any:

- a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

12. War

Damages however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. Breach Of Contract

Damages arising out of a breach of contract.

14. Punitive Damages

Any claim for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person.

- E. For the purposes of coverage provided by this endorsement, Paragraph **C. Limit Of Insurance** contained in **Section II – Liability Coverage** is replaced by the following:

Limit Of Insurance

1. The Limits of Insurance and the rules shown below fix the most we will pay regardless of the number of:

- a. "Insureds";
- b. Claims made or "suits" brought;
- c. Persons or organizations making claims or bringing "suits"; or
- d. Acts, errors or omissions.

2. Subject to the **Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** as amended by the **Garage Amendatory Endorsement CL CA 01 33**, the most we will pay for all damages because of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed and resulting in failure to comply with **Section 130, Civil Liability Of Title I (Truth In Lending Act) Of The Consumer Protection Act (Public Law 90-321:82 Stat. 146)**, and as may be amended from time to time, or any similar state consumer credit act, statute or law, in connection with "autos" sold by your "auto" dealership is \$300,000.

- F. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage – D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE

1. Our obligation under this insurance to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000. We will deduct \$1,000 from the amounts payable under this coverage for each claim or "suit".
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend the "insured" against a "suit" seeking those damages; and
 - b. Your duties in the event of a claim or "suit"

apply irrespective of the application of the deductible amount.

3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

G. For the purposes of coverage provided by this endorsement, Paragraph **A. Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. Duties In The Event Of An Act, Error Or Omission, Or Claim or Suit

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a.** You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:
 - (1)** What the act, error or omission was and when it occurred; and
 - (2)** The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- b.** If a claim is made or "suit" is brought against any "insured", you must:
 - (1)** Immediately record the specifics of the claim or "suit" and the date received; and
 - (2)** Notify us as soon as possible.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c.** You and any other involved "insured" must:
 - (1)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2)** Authorize us to obtain records and other information;
 - (3)** Cooperate with us in the investigation or settlement of the claim or defense against the "suit";
 - (4)** Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply; and

- (5)** Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

2. Legal Action Against Us

No person or organization has a right:

- a.** To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or
- b.** To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

H. For the purposes of coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph **B.4. No Benefit To Bailee – Physical Damage Coverages** does not apply.
2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

This insurance is primary. Our obligations are not affected unless there is other valid and collectible primary insurance available to the “insured” for a loss we cover under this coverage. Then, we will pay only our share.

Our share is the proportion that the applicable Limit of Insurance of this endorsement bears to the total applicable limits of insurance of all the coverage forms and policies covering on the same basis.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

We cover damages occurring during the policy period shown in the Declarations and within the “coverage territory”.

The “coverage territory” is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

I. For the purposes of coverage provided by this endorsement, Paragraph **P. “Suit”** contained in **Section VI – Definitions** is deleted and replaced by the following:

“Suit” means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. “Suit” includes:

1. An arbitration proceeding in which such damages are claimed and to which the “insured” must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the “insured” submits with our consent.

THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY COVERAGE – AUTO DEALERS

THIS CONTAINS AN EXTENDED REPORTING PERIOD WITH NO PROVISION FOR FURTHER EXTENSIONS OR RESTORATION OF THE EXTENDED REPORTING PERIOD.

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

- A. For the purposes of coverage provided by this endorsement, the following is added to **Section II – Liability Coverage – A.1. “Garage Operations – Other Than Covered “Autos”:**

COVERAGE – EMPLOYEE BENEFITS LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the “insured” becomes legally obligated to pay as damages because of any act, error or omission, of the “insured”, or of any other person for whose acts the “insured” is legally liable, to which this insurance applies. We will have the right and duty to defend the “insured” against a “suit” seeking these damages. However, we will have no duty to defend the “insured” against any “suit” seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any “claim” or “suit” that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **F. Limits Of Insurance** below; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to damages only if:

- (1) The act, error or omission, is negligently committed in the “administration” of your “employee benefit program”;
 - (2) The act, error or omission takes place in the coverage territory;
 - (3) The act, error or omission, did not take place:
 - (a) Before the Retroactive Date shown in the separate Declarations Extension Endorsement as applicable to this coverage in this policy; or
 - (b) After the end of the policy period of the policy to which this endorsement is attached; and
 - (4) A “claim” for damages, because of an act, error or omission, is first made against any “insured”, in accordance with Paragraph **A.1.c.** below, during the policy period, or during an extended reporting period in accordance with Paragraph **A.1.f.** below.
- c. A “claim” seeking damages will be deemed to have been made at the earlier of the following times:
- (1) When notice of such “claim” is received and recorded by any “insured” or by us, whichever comes first; or
 - (2) When we make settlement in accordance with Paragraph **A.1.a.** above.
- d. If, during the policy period of this policy to which this form is attached:

(1) You first become aware of an act(s), error(s) or omission(s) which may subsequently give rise to a "claim", and

(2) You give us written notice of such act(s), error(s) or omission(s) with full particulars in accordance with Paragraph **H.1.a.**, Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit", contained in this form,

then any "claim" subsequently made against you arising out of such act(s), error(s) or omission(s) shall be treated as if it had been first made during that policy period. You must immediately report any such "claim" to us in accordance with Paragraphs **H.1.b.** and **H.1.c.**, Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit", contained in this form,

e. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any "insured".

f. Except with respect to a "claim" under Paragraph **A.1.d.** above, the period of time in which a "claim" first made against any "insured" can be considered to have been received within the policy period will be extended for a period of 1 year from:

(1) The date of cancellation or non-renewal if this endorsement or the policy to which it is attached is canceled or non-renewed;

(2) The end of the policy period if we renew or replace this endorsement or the policy to which this endorsement is attached with insurance that:

(a) Has a Retroactive Date later than the date shown in the **Declarations Extension Endorsement** as applicable to this coverage; or

(b) Does not apply to an act, error or omission on a claims-made basis; or

(3) The end of the policy period if this endorsement or the policy to which it is attached expires and is not renewed with us.

However, a transfer of a policyholder between admitted companies within the same insurance group is not considered to be a termination, non-renewal or a refusal to renew.

This extended reporting period does not extend the policy period or change the scope of coverage in any way. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period to which this endorsement is attached, but after the Retroactive Date shown in the separate **Declarations Extension Endorsement** shown as applicable to this coverage in this policy.

B. For the purposes of the coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are "insureds":

1. You.
2. Your partners (if you are a partnership), members and managers (if you are a limited liability company), members (if you are a joint venture), trustees (if you are a trust), directors or shareholders but all only while acting within the scope of their duties as such.
3. Each of your "employees" who is or was authorized to administer your "employee benefit program".
4. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only with respect to their "administration" of your "employee benefit program", and only until your legal representative is appointed.
5. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following is added to the **Who Is An Insured** provision as amended under Paragraph B. above:

Newly Formed Or Acquired Garage Business – Automatic Coverage

Any garage business you newly acquire or form, and over which you maintain ownership or majority interest, will qualify as a Named "Insured" if no other similar insurance applies to that organization.

However, coverage does not apply to a newly acquired or formed garage business:

1. That is a joint venture;
2. That is "insured" under any other similar employee benefits liability policy;
3. That has exhausted its Limit of Insurance under any other similar employee benefits liability policy;
4. For any act, error or omission that was first committed before you acquired or formed the organization; or
5. 90 days or more after you acquire or form the organization, or the end of the policy period, whichever is earlier, unless the **Garage Advantage Endorsement, CL CA 25 11**, is a part of this policy. If the **Garage Advantage Endorsement** applies to this policy, then coverage under this provision will apply until the end of the policy period in which you acquire or form the garage business, or until the next anniversary date of the policy's effective date, whichever is earlier.

- D. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Insurance**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the "insured" at our request, including up to \$1,000 a day because of time off from work.
3. Paragraph **a.(5)** is deleted and replaced by the following:

All costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".

4. The following Coverage Extension is added:

Pre-judgment interest awarded against the "insured" on that part of the judgment we pay. If we make an offer to pay the applicable Limit Of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer.

- E. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Insurance** is deleted in its entirety and replaced by the following:

EXCLUSIONS

This insurance does not apply to any of the following:

1. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any "insured", including the willful or reckless violation of any statute.

2. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage" or "personal and advertising injury".

3. **Failure To Perform A Contract**

Damages arising out of failure of performance of contract by any insurer.

4. **Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

5. **Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "claim" based upon:

- a. Failure of any investment to perform;
- b. Errors in providing information on past performance of investment vehicles; or
- c. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

6. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

7. ERISA

Damages for which any "insured" is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

8. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the "insured", from the applicable funds accrued or other collectible insurance.

9. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

10. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

11. Punitive Damages

Any "claim" for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person.

F. Limits Of Insurance

For the purposes of the coverage provided by this endorsement, **Section II – Limits Of Insurance** is replaced by the following:

1. The Limits of Insurance and the rules shown below are the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. "Claims" made or "suits" brought;
 - c. Persons or organizations making "claims" or bringing "suits";
 - d. Acts, errors or omissions; or
 - e. Benefits included in your "employee benefit program".

2. The most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program" is an aggregate limit that is equal to the dollar amount shown for the **Aggregate Limit – Garage Operations – Other Than Covered "Autos"** under **Item Two – Schedule Of Coverages And Covered Autos** in the Garage Declarations of the policy to which this endorsement is attached.

3. Subject to the aggregate limit as described in Paragraph **F.2.** above, the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed in the "administration" of your "employee benefit program" is an each employee limit that is equal to the dollar amount shown for the **Each "Accident" Limit – Garage Operations – Other Than Covered "Autos"** under **Item Two – Schedule Of Coverages And Covered Autos** in the Garage Declarations of the policy to which this endorsement is attached.

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Common Policy Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

4. For the purposes of determining the Limits of Insurance for the extended reporting period provided for under Paragraph **A.1.f.** of this form, such additional reporting period will be deemed part of:

- a. With respect to cancellations, that portion of the last policy period during which this form was in effect for the policy to which it is attached;
- b. With respect to non-renewals, the last preceding policy period during which this form was in effect for the policy to which it is attached; or
- c. With respect to coverage under this endorsement being renewed or replaced with insurance that:
 - (1) Has a Retroactive Date late than the date shown in the **Declarations Extension** Endorsement shown as applicable to this coverage; or
 - (2) Does not apply to an act, error or omission on a claims-made basis,

the last preceding policy period during which this form was in effect for the policy to which it is attached.
- d. With respect to coverage under this endorsement expiring with no renewal by us or by an admitted company within the same insurance group, the last preceding policy period during which this form was in effect for the policy to which it is attached.

- G. For the purposes of the coverage provided by this endorsement, **Section II – Liability Coverage – D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE – \$1,000 EACH EMPLOYEE

- 1. Our obligation to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000 for each "employee". This deductible amount applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

The limits of insurance described in Paragraph F. above shall not be reduced by the amount of this deductible.
- 2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend any "suits" seeking those damages; and

- b. Your duties, and the duties of any other involved "insured", in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.

- 3. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

- H. For the purposes of the coverage provided by this endorsement, Paragraph A. **Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred;
 - (2) When you first became aware of such act(s), error(s) or omission(s);
 - (3) The names and addresses of anyone who may suffer damages as a result of the act, error or omission; and
 - (4) The reason(s) you believe a "claim" is likely to be made.
- b. If a "claim" is made or "suit" is brought against any "insured", you must:
 - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
 - (2) Notify and send us written notice of the "claim" or "suit" as soon as practicable.
- c. You and any other involved "insured" must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply.
- d. No "insured" will, except at that "insured's" own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

2. Legal Action Against Us

No person or organization has a right:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or
- b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

I. General Conditions

For the purposes of the coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph **B.4. No Benefit To Bailee – Physical Damage Coverages** does not apply.
2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

If other valid and collectible insurance is available to the "insured" for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **I.2.c.** below.

b. Excess Insurance

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to or continues after the Retroactive Date shown in the separate **Declarations Extension Endorsement** as applicable to this coverage in this policy, and that applies to an act, error or omission on other than a claims-made basis; or
- (2) When this insurance is excess, we will have no duty to defend the "insured" against a "suit" if any other insurer has a duty to defend the "insured" against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the "insured's" rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - (a) The total amount that all such other insurance would pay for the loss in absence of this insurance; and
 - (b) The total of all deductible and self-insured amounts under all that other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in Paragraph F. of this endorsement.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

The coverage territory is:

- a. The United States of America;
- a. The territories and possessions of the United States of America;
- b. Puerto Rico; and
- c. Canada.

- J. For the purposes of the coverage provided by this endorsement, the following definitions are added to **Section VI – Definitions**:

- 1. "Administration" means:
 - a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
 - b. Handling records in connection with the "employee benefit program"; or
 - c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

- 2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.

- 3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

- 4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
- e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

- K. For the purposes of the coverage provided by this endorsement, Definitions **G.** and **P.** in the **Section VI – Definitions** are replaced by the following:

- G. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

- P. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the “insured” must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the “insured” submits with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE DEALERS INSURANCE AGENTS ERRORS AND OMISSIONS COVERAGE

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A.** For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.1. “Garage Operations” – Other Than Covered “Autos”** is changed by adding the following:
- 1.** We will also pay all sums an “insured” legally must pay as damages because of negligent acts, errors or omissions to which this coverage applies. We have the right and duty to defend the “insured” against a “suit” asking for these damages. However, we have no duty to defend the “insured” against a “suit” seeking damages for errors or omissions to which this insurance does not apply. We may investigate and settle any claim or “suit” as we consider appropriate. But:
 - a.** The amount we pay for damages is limited as described in Paragraph **E. Limit of Insurance** below; and
 - b.** Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
 - 2.** This insurance applies to damages only if:
 - a.** The damages take place in the “coverage territory”;
 - b.** The damages occur during the policy period;
 - c.** Prior to the policy period, no “insured” listed under Who Is An Insured and no “employee” authorized by you to give or receive notice of a claim, knew that the damages had occurred, in whole or in part. If such listed “insured” or authorized “employee” knew prior to the policy period that the damages occurred, then any continuation of or change in such damages during or after the policy period will be deemed to have been known prior to the policy period; and
 - d.** The damages arise out of a negligent act, error or omission by:
 - (1)** the “insured”; or
 - (2)** Any other person for whose acts the “insured” is legally liable,

in the conduct of your business as an “insurance agent or broker”, and then only with respect to the sale or placement of Credit Life, Health, Accident, Disability, or Automobile Physical Damage Insurance in connection with “autos” sold by your “auto” dealership.
 - 3.** Damages will be deemed to have been known to have occurred at the earliest time when any “insured” listed under **Who Is An Insured** or any “employee” authorized by you to give or receive notice of a claim:
 - a.** Reports all, or any part, of the damages to us or any other insurer;
 - b.** Receives a written or verbal demand or claim for damages; or
 - c.** Becomes aware by any other means that damages have occurred or have begun to occur.

- B. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are “insureds”:

1. You.
2. Your partners (if you are a partnership), members (if you are a limited liability company), “employees”, directors or shareholders, but all only while acting within the scope of their duties as such.

No person or organization is an “insured” with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Coverage**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. The following supplementary payment is added:

The cost of appeal bonds required in any “suit” against an “insured” we defend but without any obligation to apply for or furnish such bonds.

3. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the “insured” at our request, including up to \$1,000 a day because of time off from work.

- D. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Coverage** is deleted in its entirety and replaced by the following:

EXCLUSIONS

This insurance does not apply to any of the following:

1. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

“Bodily injury”, “property damage”, or “personal and advertising injury”.

2. **Expected Or Intended Damages**

Damages expected or intended from the standpoint of the “insured”.

3. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Any claims or “suits” arising out of any intentional, dishonest, criminal, fraudulent or malicious act, error or omission, committed by or at the direction of any “insured”, whether acting alone or in collusion with others, including, but not limited to, the willful, reckless or knowing violation of any statute, law, regulation or ordinance.

4. **Contractual**

Liability assumed by the “insured” in any contract or agreement. This exclusion does not apply to liability for damages that the “insured” would have in the absence of the contract or agreement.

5. **Employers Liability**

Injury to:

- a. An “employee” of the “insured” arising out of and in the course of:
 - (1) Employment by the “insured”; or
 - (2) Performing the duties related to the conduct of the “insured’s” business; or
- b. The spouse, child, parent, brother or sister of that “employee” as a consequence of Paragraph **D.5.a.** above.

6. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

7. **Workers’ Compensation And Similar Laws**

Any obligation of the “insured” under a workers’ compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

8. **Pollution**

Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants” at any time.

9. Pollution-Related

Any loss, cost or expense arising out of any:

- a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

10. War

Damages however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

11. Breach Of Contract

Damages arising out of a breach of contract.

12. Punitive Damages

Any claim for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person.

- E. For the purposes of coverage provided by this endorsement, Paragraph **C. Limit Of Insurance** contained in **Section II – Liability Coverage** is replaced by the following:

Limit Of Insurance

1. The Limits of Insurance and the rules shown below fix the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits"; or

- d. Acts, errors or omissions.

2. Subject to the **Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** as amended by the **Garage Amendatory Endorsement CL CA 01 33**, the most we will pay for all damages because of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed in the conduct of your business as an "insurance agent or broker" is the **Each "Accident" Limit – "Garage Operations" – Other Than Covered "Autos"** shown in the Declarations.

- F. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE

1. Our obligation under this insurance to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000. We will deduct \$1,000 from the amounts payable under this coverage for each claim or "suit".
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend the "insured" against a "suit" seeking those damages; and
 - b. Your duties in the event of a claim or "suit"apply irrespective of the application of the deductible amount.
3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

G. For the purposes of coverage provided by this endorsement, Paragraph **A. Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. Duties In The Event Of An Act, Error Or Omission, Or Claim or Suit

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:

(1) What the act, error, or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error, or omission.

b. If a claim is made or "suit" is brought against any "insured", you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as possible.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved "insured" must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply; and

(5) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

2. Legal Action Against Us

No person or organization has a right:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or

b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

H. For the purposes of coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph **B.4. No Benefit To Bailee – Physical Damage Coverages** does not apply.

2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

This insurance is primary. Our obligations are not affected unless there is other valid and collectible primary insurance available to the "insured" for a loss we cover under this coverage. Then, we will pay only our share.

Our share is the proportion that the applicable Limit of Insurance of this endorsement bears to the total applicable limits of insurance of all the coverage forms and policies covering on the same basis.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

We cover damages occurring during the policy period shown in the Declarations and within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

- I. For the purposes of coverage provided by this endorsement, the following changes are made to **Section VI – Definitions**:

1. Paragraph **P**. "Suit" is deleted and replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

2. The following definition is added:

"Insurance Agent or Broker" means an agent or broker licensed by the State for selling and servicing insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE DEALERS ODOMETER STATUTE ERRORS AND OMISSIONS COVERAGE

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A.** For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.1. “Garage Operations” – Other Than Covered “Autos”** is changed by adding the following:
- 1.** We will also pay all sums an "insured" legally must pay as damages because of negligent acts, errors or omissions to which this coverage applies. We have the right and duty to defend the "insured" against a "suit" asking for these damages. However, we have no duty to defend the "insured" against a "suit" seeking damages for errors or omissions to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:
 - a.** The amount we pay for damages is limited as described in Paragraph **E. Limit of Insurance** below; and
 - b.** Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
 - 2.** This insurance applies to damages only if:
 - a.** The damages take place in the "coverage territory":
 - b.** The damages occur during the policy period;
 - c.** Prior to the policy period, no "insured" listed under **Who Is An Insured** and no "employee" authorized by you to give or receive notice of a claim, knew that the damages had occurred, in whole or in part. If such listed "insured" or authorized "employee" knew prior to the policy period that the damages occurred, then any continuation of or change in such damages during or after the policy period will be deemed to have been known prior to the policy period; and
 - d.** The damages are because of a negligent act, error or omission resulting in failure to comply with **Title IV Odometer Requirements of the Motor Vehicle Information And Cost Savings Act (Public Law 92-513:86 Stat. 947)**, and as may be amended from time to time, or any similar state act, statute or law.
 - 3.** Damages will be deemed to have been known to have occurred at the earliest time when any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of a claim:
 - a.** Reports all, or any part, of the damages to us or any other insurer;
 - b.** Receives a written or verbal demand or claim for damages; or
 - c.** Becomes aware by any other means that damages have occurred or have begun to occur.

- B. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are "insureds":

1. You.
2. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders but only while acting within the scope of their duties.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Coverage**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the "insured" at our request, including up to \$1,000 a day because of time off from work.

- D. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Coverage** is deleted in its entirety and replaced by the following:

EXCLUSIONS:

This insurance does not apply to any of the following:

1. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage", or "personal and advertising injury".

2. **Expected Or Intended Damages**

Damages expected or intended from the standpoint of the "insured".

3. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Any claims or "suits" arising out of any intentional, dishonest, criminal, fraudulent or malicious act, error or omission, committed by or at the direction of any "insured", whether acting alone or in collusion with others, including, but not limited to, the willful, reckless or knowing violation of any statute, law, regulation or ordinance.

4. **Contractual**

Liability assumed by the "insured" in any contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

5. **Employers Liability**

Injury to:

- a. An "employee" of the "insured" arising out of and in the course of:

- (1) Employment by the "insured"; or
- (2) Performing the duties related to the conduct of the "insured's" business; or

- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **D.5.a.** above.

6. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

7. **Workers' Compensation And Similar Laws**

Any obligation of the "insured" under a workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

8. **Aircraft, Auto Or Watercraft**

Damages arising out of the ownership, maintenance, use (including loading or unloading) or entrustment to others of any aircraft, "auto" or watercraft.

However, this exclusion does not apply to odometer alteration or tampering for "autos" as is otherwise provided by this endorsement for "autos" handled by your dealership, unless intentionally or fraudulently committed by an "insured".

9. Pollution

Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

10. Pollution-Related

Any loss, cost or expense arising out of any:

- a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

11. War

Damages however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

12. Breach Of Contract

Damages arising out of a breach of contract.

13. Punitive Damages

Any claim for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person..

- E. For the purposes of coverage provided by this endorsement, Paragraph **C. Limit Of Insurance** contained in **Section II – Liability Coverage** is replaced by the following:

Limit Of Insurance

1. The Limits of Insurance and the rules shown below fix the most we will pay regardless of the number of:

- a. "Insureds";
- b. Claims made or "suits" brought;
- c. Persons or organizations making claims or bringing "suits"; or
- d. Acts, errors or omissions.

2. Subject to the **Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** as amended by the **Garage Amendatory Endorsement CL CA 01 33**, the most we will pay for all damages because of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed and resulting in failure to comply with **Title IV Odometer Requirements of the Motor Vehicle Information And Cost Savings Act (Public Law 92-513:86 Stat. 947)**, and as may be amended from time to time, or any similar state act, statute or law is the **Each "Accident" Limit – "Garage Operations" – Other Than "Auto" Only** shown in the Declarations.

- F. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage – D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE

1. Our obligation under this insurance to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000. We will deduct \$1,000 from the amounts payable under this coverage for each claim or "suit".
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend the "insured" against a "suit" seeking those damages; and
 - b. Your duties in the event of a claim or "suit"

apply irrespective of the application of the deductible amount.

3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

G. For the purposes of coverage provided by this endorsement, Paragraph **A. Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. Duties In The Event Of An Act, Error Or Omission, Or Claim or Suit

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:

(1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a claim is made or "suit" is brought against any "insured", you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as possible.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved "insured" must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply; and

(5) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

2. Legal Action Against Us

No person or organization has a right:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or

b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

H. For the purposes of coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph **B.4. No Benefit To Bailee – Physical Damage Coverages** does not apply.

2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

This insurance is primary. Our obligations are not affected unless there is other valid and collectible primary insurance available to the "insured" for a loss we cover under this coverage. Then, we will pay only our share.

Our share is the proportion that the applicable Limit of Insurance of this endorsement bears to the total applicable limits of insurance of all the coverage forms and policies covering on the same basis.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

We cover damages occurring during the policy period shown in the Declarations and within the "coverage territory".

The "coverage territory" is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

- I. For the purposes of coverage provided by this endorsement, Paragraph **P. "Suit"** contained in **Section VI – Definitions** is deleted and replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE DEALERS TITLE ERRORS AND OMISSIONS COVERAGE

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A.** For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.1. “Garage Operations” – Other Than Covered “Autos”** is changed by adding the following:
- 1.** We will also pay all sums an "insured" legally must pay as damages because of negligent acts, errors or omissions to which this coverage applies. We have the right and duty to defend the "insured" against a "suit" asking for these damages. However, we have no duty to defend the "insured" against a "suit" seeking damages for errors or omissions to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:
 - a.** The amount we pay for damages is limited as described in Paragraph **E. Limit of Insurance** below; and
 - b.** Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
 - 2.** This insurance applies to damages only if:
 - a.** The damages take place in the "coverage territory":
 - b.** The damages occur during the policy period;
 - c.** Prior to the policy period, no "insured" listed under **Who Is An Insured** and no "employee" authorized by you to give or receive notice of a claim, knew that the damages had occurred, in whole or in part. If such listed "insured" or authorized "employee" knew prior to the policy period that the damages occurred, then any continuation of or change in such damages during or after the policy period will be deemed to have been known prior to the policy period; and
 - d.** The damages result from your failure to properly specify the lienholder or legal owner on vehicle title registration papers for vehicles sold by your "auto" dealership whereupon the purchaser, with criminal intent, sells or transfers the title of such vehicle(s).
 - 3.** Damages will be deemed to have been known to have occurred at the earliest time when any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of a claim:
 - a.** Reports all, or any part, of the damages to us or any other insurer;
 - b.** Receives a written or verbal demand or claim for damages; or
 - c.** Becomes aware by any other means that damages have occurred or have begun to occur.

- B. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are "insureds":

1. You.
2. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders but only while acting within the scope of their duties.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Coverage**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the "insured" at our request, including up to \$1,000 a day because of time off from work.

- D. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Coverage** is deleted in its entirety and replaced by the following:

EXCLUSIONS:

This insurance does not apply to any of the following:

1. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage", or "personal and advertising injury".

2. **Expected Or Intended Damages**

Damages expected or intended from the standpoint of the "insured".

3. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Any claims or "suits" arising out of any intentional, dishonest, criminal, fraudulent or malicious act, error or omission, committed by or at the direction of any "insured", whether acting alone or in collusion with others, including, but not limited to, the willful, reckless or knowing violation of any statute, law, regulation or ordinance.

4. **Contractual**

Liability assumed by the "insured" in any contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

5. **Employers Liability**

Injury to:

- a. An "employee" of the "insured" arising out of and in the course of:

- (1) Employment by the "insured"; or
- (2) Performing the duties related to the conduct of the "insured's" business; or

- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **D.5.a.** above.

6. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

7. **Workers' Compensation And Similar Laws**

Any obligation of the "insured" under a workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

8. **Aircraft, Auto Or Watercraft**

Damages arising out of the ownership, maintenance, use (including loading or unloading) or entrustment to others of any aircraft, "auto" or watercraft.

9. **Pollution**

Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

10. Pollution-Related

Any loss, cost or expense arising out of any:

- a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

11. War

Damages however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

12. Breach Of Contract

Damages arising out of a breach of contract.

13. Punitive Damages

Any claim for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person.

- E. For the purposes of coverage provided by this endorsement, Paragraph **C. Limit Of Insurance** contained in **Section II – Liability Coverage** is replaced by the following:

Limit Of Insurance

1. The Limits of Insurance and the rules shown below fix the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits"; or

- d. Acts, errors or omissions.

2. Subject to the **Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** as amended by the **Garage Amendatory Endorsement CL CA 01 33**, the most we will pay for all damages because of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed and resulting in your failure to properly specify the lienholder or legal owner on vehicle title registration papers for vehicles sold by you is the **Each "Accident" Limit – "Garage Operations" – Other Than Covered "Autos"** shown in the Declarations.

- F. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage – D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE

1. Our obligation under this insurance to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000. We will deduct \$1,000 from the amounts payable under this coverage for each claim or "suit".
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend the "insured" against a "suit" seeking those damages; and
 - b. Your duties in the event of a claim or "suit"

apply irrespective of the application of the deductible amount.

3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

G. For the purposes of coverage provided by this endorsement, Paragraph **A. Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. Duties In The Event Of An Act, Error Or Omission, Or Claim or "Suit"

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:

(1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a claim is made or "suit" is brought against any "insured", you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as possible.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved "insured" must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply; and

(5) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

2. Legal Action Against Us

No person or organization has a right:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or

b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

H. For the purposes of coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph **B.4. No Benefit To Bailee – Physical Damage Coverages** does not apply.

2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

This insurance is primary. Our obligations are not affected unless there is other valid and collectible primary insurance available to the "insured" for a loss we cover under this coverage. Then, we will pay only our share.

Our share is the proportion that the applicable Limit of Insurance of this endorsement bears to the total applicable limits of insurance of all the coverage forms and policies covering on the same basis.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

We cover damages occurring during the policy period shown in the Declarations and within the "coverage territory".

The "coverage territory" is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

- I. For the purposes of coverage provided by this endorsement, Paragraph **P. "Suit"** contained in **Section VI – Definitions** is deleted and replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE DEALERS TRUTH IN LEASING ERRORS AND OMISSIONS COVERAGE

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A.** For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.1. “Garage Operations” – Other Than Covered “Autos”** is changed by adding the following:
- 1.** We will also pay all sums an "insured" legally must pay as damages because of negligent acts, errors or omissions to which this coverage applies. We have the right and duty to defend the "insured" against a "suit" asking for these damages. However, we have no duty to defend the "insured" against a "suit" seeking damages for errors or omissions to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:
 - a.** The amount we pay for damages is limited as described in Paragraph **E. Limit of Insurance** below; and
 - b.** Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
 - 2.** This insurance applies to damages only if:
 - a.** The damages take place in the "coverage territory":
 - b.** The damages occur during the policy period;
 - c.** Prior to the policy period, no "insured" listed under **Who Is An Insured** and no "employee" authorized by you to give or receive notice of a claim, knew that the damages had occurred, in whole or in part. If such listed "insured" or authorized "employee" knew prior to the policy period that the damages occurred, then any continuation of or change in such damages during or after the policy period will be deemed to have been known prior to the policy period; and
 - d.** The damages are because of a negligent act, error or omission resulting in failure to comply with **Section 182 (Consumer Lease Disclosures) of the Consumer Leasing Act of 1978 (Public Law 94-240:90 Stat. 258)**, and as may be amended from time to time, or any similar state consumer leasing disclosures act, statute or law, but only in connection with "autos" rented or leased to others by your "auto" dealership.
 - 3.** Damages will be deemed to have been known to have occurred at the earliest time when any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of a claim:
 - a.** Reports all, or any part, of the damages to us or any other insurer;
 - b.** Receives a written or verbal demand or claim for damages; or
 - c.** Becomes aware by any other means that damages have occurred or have begun to occur.

- B. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are "insureds":

1. You.
2. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders but only while acting within the scope of their duties.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Coverage**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the "insured" at our request, including up to \$1,000 a day because of time off from work.

- D. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Coverage** is deleted in its entirety and replaced by the following:

EXCLUSIONS

This insurance does not apply to any of the following:

1. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage", or "personal and advertising injury".

2. **Expected Or Intended Damages**

Damages expected or intended from the standpoint of the "insured".

3. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Any claims or "suits" arising out of any intentional, dishonest, criminal, fraudulent or malicious act, error or omission, committed by or at the direction of any "insured", whether acting alone or in collusion with others, including, but not limited to, the willful, reckless or knowing violation of any statute, law, regulation or ordinance.

4. **Contractual**

Liability assumed by the "insured" in any contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

5. **Employers Liability**

Injury to:

- a. An "employee" of the "insured" arising out of and in the course of:

- (1) Employment by the "insured"; or
- (2) Performing the duties related to the conduct of the "insured's" business; or

- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **D.5.a.** above.

6. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

7. **Workers' Compensation And Similar Laws**

Any obligation of the "insured" under a workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

8. **Aircraft, Auto Or Watercraft**

Damages arising out of the ownership, maintenance, use (including loading or unloading) or entrustment to others of any aircraft, "auto" or watercraft.

9. **Pollution**

Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

10. Pollution-Related

Any loss, cost or expense arising out of any:

- a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

11. War

Damages however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

12. Breach Of Contract

Damages arising out of a breach of contract.

13. Punitive Damages

Any claim for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person.

- E. For the purposes of coverage provided by this endorsement, Paragraph **C. Limit Of Insurance** contained in **Section II – Liability Coverage** is replaced by the following:

Limit Of Insurance

1. The Limits of Insurance and the rules shown below fix the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits"; or

- d. Acts, errors or omissions.

2. Subject to the **Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** as amended by the **Garage Amendatory Endorsement CL CA 01 33**, the most we will pay for all damages because of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed and resulting in failure to comply with **Section 182 (Consumer Lease Disclosures) of the Consumer Leasing Act of 1978 (Public Law 94-240:90 Stat 258)**, as may be amended from time to time, or any similar state consumer leasing disclosures act, statute or law, in connection with "autos" rented or leased by your "auto" dealership is the **Each "Accident" Limit – "Garage Operations" – Other Than Covered "Autos"** shown in the Declarations.

- F. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE

1. Our obligation under this insurance to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000. We will deduct \$1,000 from the amounts payable under this coverage for each claim or "suit".
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend the "insured" against a "suit" seeking those damages; and
 - b. Your duties in the event of a claim or "suit"

apply irrespective of the application of the deductible amount.

3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

G. For the purposes of coverage provided by this endorsement, Paragraph **A. Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. Duties In The Event Of An Act, Error Or Omission, Or Claim or Suit

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:

(1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a claim is made or "suit" is brought against any "insured", you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as possible.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved "insured" must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply; and

(5) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

2. Legal Action Against Us

No person or organization has a right:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or

b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

H. For the purposes of coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph **B.4. No Benefit To Bailee – Physical Damage Coverages** does not apply.

2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

This insurance is primary. Our obligations are not affected unless there is other valid and collectible primary insurance available to the "insured" for a loss we cover under this coverage. Then, we will pay only our share.

Our share is the proportion that the applicable Limit of Insurance of this endorsement bears to the total applicable limits of insurance of all the coverage forms and policies covering on the same basis.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

We cover damages occurring during the policy period shown in the Declarations and within the "coverage territory".

The "coverage territory" is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

- I. For the purposes of coverage provided by this endorsement, Paragraph **P. "Suit"** contained in **Section VI – Definitions** is deleted and replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMOBILE DEALERS TRUTH IN LENDING ERRORS AND OMISSIONS COVERAGE

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by endorsement.

- A.** For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.1. “Garage Operations” – Other Than Covered “Autos”** is changed by adding the following:
- 1.** We will also pay all sums an "insured" legally must pay as damages because of negligent acts, errors or omissions to which this coverage applies. We have the right and duty to defend the "insured" against a "suit" asking for these damages. However, we have no duty to defend the "insured" against a "suit" seeking damages for errors or omissions to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. But:
 - a.** The amount we pay for damages is limited as described in Paragraph **E. Limit of Insurance** below; and
 - b.** Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments and settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.
 - 2.** This insurance applies to damages only if:
 - a.** The damages take place in the "coverage territory":
 - b.** The damages occur during the policy period;
 - c.** Prior to the policy period, no "insured" listed under **Who Is An Insured** and no "employee" authorized by you to give or receive notice of a claim, knew that the damages had occurred, in whole or in part. If such listed "insured" or authorized "employee" knew prior to the policy period that the damages occurred, then any continuation of or change in such damages during or after the policy period will be deemed to have been known prior to the policy period; and
 - d.** The damages are because of a negligent act, error or omission resulting in failure to comply with **Section 130, Civil Liability Of Title I (Truth In Lending Act) Of The Consumer Protection Act (Public Law 90-321:82 Stat. 146)**, and as may be amended from time to time, or any similar state consumer credit act, statute or law, but only in connection with "autos" sold by your "auto" dealership.
 - 3.** Damages will be deemed to have been known to have occurred at the earliest time when any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of a claim:
 - a.** Reports all, or any part, of the damages to us or any other insurer;
 - b.** Receives a written or verbal demand or claim for damages; or
 - c.** Becomes aware by any other means that damages have occurred or have begun to occur.

- B. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage, A.3. Who Is An Insured** is deleted in its entirety and replaced by the following:

WHO IS AN INSURED

The following are "insureds":

1. You.
2. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders but only while acting within the scope of their duties.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

- C. For the purposes of coverage provided by this endorsement, the following changes are made to **A.4. Coverage Extensions – Supplementary Payments** under **Section II – Liability Coverage**:

1. Paragraphs **a.(2)** and **b.** do not apply.
2. Paragraph **a.(4)** is deleted and replaced by the following:

All reasonable expenses incurred by the "insured" at our request, including up to \$1,000 a day because of time off from work.

- D. For the purposes of coverage provided by this endorsement, Paragraph **B. Exclusions** contained in **Section II – Liability Coverage** is deleted in its entirety and replaced by the following:

EXCLUSIONS:

This insurance does not apply to any of the following:

1. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage", or "personal and advertising injury".

2. **Expected Or Intended Damages**

Damages expected or intended from the standpoint of the "insured".

3. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Any claims or "suits" arising out of any intentional, dishonest, criminal, fraudulent or malicious act, error or omission, committed by or at the direction of any "insured", whether acting alone or in collusion with others. This includes, but is not limited to, the willful, reckless or knowing violation of any statute, law, regulation or ordinance.

4. **Violation Of The Criminal Liability Section Of Consumer Credit Protection Act**

Any claims or "suits" arising out of violation of **Section 112, Criminal Liability of Title I of The Consumer Credit Protection Act** and as may be amended from time to time.

5. **Contractual**

Liability assumed by the "insured" in any contract or agreement. This exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.

6. **Employers Liability**

Injury to:

- a. An "employee" of the "insured" arising out of and in the course of:

(1) Employment by the "insured"; or

(2) Performing the duties related to the conduct of the "insured's" business; or

- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **D.6.a.** above.

7. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

8. **Workers' Compensation And Similar Laws**

Any obligation of the "insured" under a workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

9. **Aircraft, Auto Or Watercraft**

Damages arising out of the ownership, maintenance, use (including loading or unloading) or entrustment to others of any aircraft, "auto" or watercraft.

10. Pollution

Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

11. Pollution-Related

Any loss, cost or expense arising out of any:

- a. Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

12. War

Damages however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. Breach Of Contract

Damages arising out of a breach of contract.

14. Punitive Damages

Any claim for punitive or exemplary damages whether arising out of the acts, errors or omissions of any "insured", any "employee", or any other person.

- E. For the purposes of coverage provided by this endorsement, Paragraph **C. Limit Of Insurance** contained in **Section II – Liability Coverage** is replaced by the following:

Limit Of Insurance

1. The Limits of Insurance and the rules shown below fix the most we will pay regardless of the number of:

- a. "Insureds";
- b. Claims made or "suits" brought;
- c. Persons or organizations making claims or bringing "suits"; or
- d. Acts, errors or omissions.

2. Subject to the **Section II – Liability Coverage, C. Limit of Insurance, Part 1. Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos"** as amended by the **Garage Amendatory Endorsement CL CA 01 33**, the most we will pay for all damages because of:

- a. An act, error or omission; or
- b. A series of related acts, errors or omissions

negligently committed and resulting in failure to comply with **Section 130, Civil Liability Of Title I (Truth In Lending Act) Of The Consumer Protection Act (Public Law 90-321:82 Stat. 146)**, and as may be amended from time to time, or any similar state consumer credit act, statute or law, in connection with "autos" sold by your "auto" dealership is the **Each "Accident" Limit – "Garage Operations" – Other Than Covered "Autos"** shown in the Declarations .

- F. For the purposes of coverage provided by this endorsement, **Section II – Liability Coverage – D. Deductible** is deleted and replaced by the following:

DEDUCTIBLE

1. Our obligation under this insurance to pay damages on behalf of the "insured" applies only to the amount of damages in excess of \$1,000. We will deduct \$1,000 from the amounts payable under this coverage for each claim or "suit".
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend the "insured" against a "suit" seeking those damages; and
 - b. Your duties in the event of a claim or "suit"

apply irrespective of the application of the deductible amount.

3. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

G. For the purposes of coverage provided by this endorsement, Paragraph **A. Loss Conditions** contained in **Section V – Garage Conditions** is deleted in its entirety and replaced by the following. These conditions apply in addition to the Common Policy Conditions:

1. Duties In The Event Of An Act, Error Or Omission, Or Claim or Suit

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and
 - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- b. If a claim is made or "suit" is brought against any "insured", you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as possible.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved "insured" must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply; and

- (5) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

2. Legal Action Against Us

No person or organization has a right:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an "insured"; or
- b. To sue us on this coverage unless all of its terms have been fully complied with.

A person or organization may sue to recover on an agreed settlement or on a final judgment against an "insured" obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the "insured", and the claimant or the claimant's legal representative.

3. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

H. For the purposes of coverage provided by this endorsement, the following changes apply to **B. General Conditions** contained in **Section V – Garage Conditions**:

1. Paragraph **B.4. No Benefit To Bailee – Physical Damage Coverages** does not apply.
2. Paragraph **B.5. Other Insurance** is deleted in its entirety and replaced by the following:

Other Insurance

This insurance is primary. Our obligations are not affected unless there is other valid and collectible primary insurance available to the “insured” for a loss we cover under this coverage. Then, we will pay only our share.

Our share is the proportion that the applicable Limit of Insurance of this endorsement bears to the total applicable limits of insurance of all the coverage forms and policies covering on the same basis.

3. Paragraph **B.7. Policy Period, Coverage Territory** is deleted in its entirety and replaced by the following:

We cover damages occurring during the policy period shown in the Declarations and within the “coverage territory”.

The “coverage territory” is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

I. For the purposes of coverage provided by this endorsement, Paragraph **P. “Suit”** contained in **Section VI – Definitions** is deleted and replaced by the following:

“Suit” means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. “Suit” includes:

1. An arbitration proceeding in which such damages are claimed and to which the “insured” must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the “insured” submits with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS - PUNITIVE DAMAGES DEFINITION

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

This endorsement provides the definition of Punitive Damages as stated in the **EXCLUSIONS** section of the following endorsements:

AUTOMOBILE DEALERS INSURANCE AGENTS ERRORS AND OMISSIONS COVERAGE
AUTOMOBILE DEALERS ODOMETER STATUTE ERRORS AND OMISSIONS COVERAGE
AUTOMOBILE DEALERS TITLE ERRORS AND OMISSIONS COVERAGE
AUTOMOBILE DEALERS TRUTH IN LEASING ERRORS AND OMISSIONS COVERAGE
AUTOMOBILE DEALERS TRUTH IN LENDING ERRORS AND OMISSIONS COVERAGE

PUNITIVE DAMAGES DEFINITION:

"Punitive damages" means damages that may be imposed to punish a wrongdoer and to deter others from similar conduct. "Punitive damages" also includes exemplary damages and/or vindictive damages.

SERFF Tracking Number: UNON-125865258

State: Arkansas

First Filing Company: Acadia Insurance Company, ...

State Tracking Number: #10035440 \$50

Company Tracking Number: 09-CA-FM-3

TOI: 20.0 Commercial Auto

Sub-TOI: 20.0001 Business Auto

Product Name: 2009 CA Form Filings

Project Name/Number: 04-09 AL CA Co. Form Filing/

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number:	UNON-125865258	State:	Arkansas
First Filing Company:	Acadia Insurance Company, ...	State Tracking Number:	#10035440 \$50
Company Tracking Number:	09-CA-FM-3		
TOI:	20.0 Commercial Auto	Sub-TOI:	20.0001 Business Auto
Product Name:	2009 CA Form Filings		
Project Name/Number:	04-09 AL CA Co. Form Filing/		

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	Division One - Commercial Auto Comp-any Exception Pages	AR-CA- Exceptions- Pages 1 - 39	Replacement	04-09 CA Manual.pdf

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**A.2.
USE OF MOTOR VEHICLE PARTS NOT MADE BY THE ORIGINAL MANUFACTURER**

Companies using motor vehicle parts not made by the original manufacturer in repair of a covered auto may use Arkansas Notice Endorsement **IL 09 09** in lieu of a sticker or policy language insert containing the same information.

**RULE 8.
POLICY WRITING MINIMUM PREMIUM**

- A. For prepaid policies, apply a policy writing minimum of **\$150** regardless of term.
- B. For policies covering only Hired Autos or Non-Owned Autos - apply a \$ 75 minimum premium.
For policies covering Hired Autos and Non-Owned Autos only - apply a \$ 150 minimum premium.

**RULE 9.
ADDITIONAL PREMIUM CHANGES**

- B. Waiver of Premium

Waive additional premium of **\$15 or less**. This waiver applies only to that portion of the premium due on the effective date of the policy change.

**RULE 10.
RETURN PREMIUM CHANGES**

- B. Waiver of Premium

Waive return premium of **\$15 or less**. Grant the return premium if requested by the insured. This waiver applies only to that portion of the premium due on the effective date of the policy change.

**RULE 12.
FORMS PORTFOLIO REFERENCE**

The following is added to **Paragraph A.**:

- A.18.** Additional Insured -- Automatic Status When Required In Written Agreement With You, **CL CA 20 06**.
- A.19.** Loss Payable Clause and Certificate, **GR CA 00 13**.

Paragraph **B.** is amended by the addition of the following:

The following endorsements are applicable in addition to those referenced elsewhere in the manual and must be attached to all Commercial Automobile Coverage Parts:

CA 01 62 - Arkansas Changes

IL 02 31 - Arkansas Changes - Cancellation and Nonrenewal

CL CA 20 15 - Transportation Extension

Attach to all policies issued by the Transportation Unit (Miscellaneous Group Indicator Code "MC001".
The form defines Symbol 72 used for Physical Damage value reporting and to clarify Towing coverage.

CL CA 01 33 Garage Amendatory Endorsement Attach to all Garage policies.

ASBESTOS EXCLUSION

The exclusion of all losses arising out of exposure to asbestos, products, goods or structures containing asbestos; or the manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos is mandatory on Business Auto, Garage, Motor Carrier and Truckers policies providing Liability coverage. Use Endorsement **CL CA 01 07**

No premium credit is available for the attachment of this endorsement, nor will its removal be possible for an additional premium, as this is only a restatement of the pollution language already in the policy, specifically addressing a specific containment.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

RULE 12.
FORMS PORTFOLIO REFERENCE (cont'd)

WAIVER OF DEDUCTIBLE - GLASS

Attach Endorsement **AI CA 54** to any policy which provides Comprehensive Coverage to any covered "auto". Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" to glass if the insured elects to patch or repair the glass rather than replace it.

RULE 15.
INDIVIDUAL RISK SITUATIONS

Paragraph C. is replaced by the following:

C. Filing Obligations

When a particular risk is modified in accordance with Paragraph B., companies should maintain a complete file, including all details of the factors used in determining the modification. Each company is responsible for complying with regulatory requirements.

Note: Rates shall not be inadequate, excessive or unfairly discriminatory.

RULE 22.
PREMIUM DEVELOPMENT - OTHER THAN ZONE-RATED AUTOS

Paragraphs **C.2.** and **C.3.** are replaced by the following:

C. Premium Computation

2. Liability

- a. Determine the base premiums from the trucks, tractors and trailers base premium in the state company rates/ISO loss costs.
- b. For fleets, multiply the base premiums by a factor of 1.10.
- c. Multiply the base premium by the combined rating factor.
- d. For deductibles, refer to Rule 98.

3. Physical Damage Coverages

- a. Determine the age group.
- b. Determine the original cost new.
- c. Determine the physical damage table according to whether the auto is a truck-tractor or whether or not it's capable of dumping its load.
- d. For fleets, multiply the base premiums by the following factors:

Other Than Collision	Collision
0.75	0.95

Table 22.C.3.d. Physical Damage Factors

- e. Multiply the base premium by the combined rating factor.
- f. For additional deductibles, refer to Rule 98.

Paragraph C.6. Does not apply.

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 23.
TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS

Paragraphs **B.5.** And **B.6.** Are replaced by the following:

5. Non-Fleet and Fleet Primary Classifications - Rating Factors and Statistical Codes

a. Local Radius

Size Class	Business Use Class		Radius Class			
			Local Up To 50 Miles			
			Liability		Physical Damage	
Light Trucks (0-10,000 Lbs. G.V.W.)	Service	Factor Code (Non-Fleet, Fleet)	1.00		1.00	
			011--	014--	011--	014--
	Retail	Factor Code (Non-Fleet, Fleet)	1.50		1.05	
			021--	024--	021--	024--
	Commercial	Factor Code (Non-Fleet, Fleet)	1.35		1.10	
			031--	034--	031--	034--
Medium Trucks (10,001-. 20,000 Lbs. G.V.W.)	Service	Factor Code (Non-Fleet, Fleet)	1.05		0.75	
			211--	214--	211--	214--
	Retail	Factor Code (Non-Fleet, Fleet)	1.55		0.80	
			221--	224--	221--	224--
	Commercial	Factor Code (Non-Fleet, Fleet)	1.40		0.85	
			231--	234--	231--	234--
Heavy Trucks (20,001-. 45,000 Lbs. G.V.W.)	Service	Factor Code (Non-Fleet, Fleet)	1.10		0.70	
			311--	314--	311--	314--
	Retail	Factor Code (Non-Fleet, Fleet)	1.65		0.75	
			321--	324--	321--	324--
	Commercial	Factor Code (Non-Fleet, Fleet)	1.50		0.80	
			331--	334--	331--	334--
Extra-Heavy Trucks (Over 45,000 Lbs. G.V.W.)		Factor Code (Non-Fleet, Fleet)	2.10		1.00	
			401--	404--	401--	404--
Heavy Truck-Tractors (0-45,000 Lbs. G.V.W.)	Service	Factor Code (Non-Fleet, Fleet)	1.35		0.75	
			341--	344--	341--	344--
	Retail	Factor Code (Non-Fleet, Fleet)	2.00		0.80	
			351--	354--	351--	354--
	Commercial	Factor Code (Non-Fleet, Fleet)	1.85		0.85	
			361--	364--	361--	364--
Extra-Heavy Truck-Tractors (Over 45,000 Lbs. G.V.W.)		Factor Code (Non-Fleet, Fleet)	2.35		1.05	
			501--	504--	501--	504--
Trailer Types						
Semitrailers		Factor Code (Non-Fleet, Fleet)	0.10		0.65	
			671--	674--	671--	674--
Trailers		Factor Code (Non-Fleet, Fleet)	0.10		0.50	
			681--	684--	681--	684--
Service Or Utility Trailer (0-2,000 Lbs. Load Capacity)		Factor Code (Non-Fleet, Fleet)	0.00		0.40	
			691--	694--	691--	694--

Table 23.B.5.a. Local Radius

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 23.
TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS (Continued)

b. Intermediate Radius

Size Class	Business Use Class		Radius Class			
			Intermediate 51 To 200 Miles			
			Liability		Physical Damage	
Light Trucks (0-10,000 Lbs. G.V.W.)		Factor	1.20		1.15	
	Service	Code (Non-Fleet, Fleet)	012--	015--	012--	015--
	Retail	Code (Non-Fleet, Fleet)	022--	025--	022--	025--
	Commercial	Code (Non-Fleet, Fleet)	032--	035--	032--	035--
Medium Trucks (10,001-. 20,000 Lbs. G.V.W.)		Factor	1.25		0.90	
	Service	Code (Non-Fleet, Fleet)	212--	215--	212--	215--
	Retail	Code (Non-Fleet, Fleet)	222--	225--	222--	225--
	Commercial	Code (Non-Fleet, Fleet)	232--	235--	232--	235--
Heavy Trucks (20,001-. 45,000 Lbs. G.V.W.)		Factor	1.40		0.80	
	Service	Code (Non-Fleet, Fleet)	312--	315--	312--	315--
	Retail	Code (Non-Fleet, Fleet)	322--	325--	322--	325--
	Commercial	Code (Non-Fleet, Fleet)	332--	335--	332--	335--
Extra-Heavy Trucks (Over 45,000 Lbs. G.V.W.)		Factor	2.70		1.20	
		Code (Non-Fleet, Fleet)	402--	405--	402--	405--
Heavy Truck-Tractors (0-45,000 Lbs. G.V.W.)		Factor	1.65		0.85	
	Service	Code (Non-Fleet, Fleet)	342--	345--	342--	345--
	Retail	Code (Non-Fleet, Fleet)	352--	355--	352--	355--
	Commercial	Code (Non-Fleet, Fleet)	362--	365--	362--	365--
Extra-Heavy Truck-Tractors (Over 45,000 Lbs. G.V.W.)		Factor	3.00		1.20	
		Code (Non-Fleet, Fleet)	502--	505--	502--	505--
Trailer Types						
Semitrailers		Factor	0.15		0.75	
		Code (Non-Fleet, Fleet)	672--	675--	672--	675--
Trailers		Factor	0.15		0.60	
		Code (Non-Fleet, Fleet)	682--	685--	682--	685--
Service Or Utility Trailer (0-2,000 Lbs. Load Capacity)		Factor	0.00		0.50	
		Code (Non-Fleet, Fleet)	692--	695--	692--	695--

Table 23.B.5.b. Intermediate Radius

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 23.
TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS (Continued)

c. Long Distance Radius

Size Class	Business Use Class		Radius Class			
			Long Distance Over 200 Miles			
			Liability		Physical Damage	
Light Trucks (0-10,000 Lbs. G.V.W.)	Service	Factor Code (Non-Fleet, Fleet)	1.30		1.20	
			013--	016--	013--	016--
	Retail	Factor Code (Non-Fleet, Fleet)	1.80		1.25	
			023--	026--	023--	026--
Medium Trucks (10,001-20,000 Lbs. G.V.W.)	Commercial	Factor Code (Non-Fleet, Fleet)	1.75		1.35	
			033--	036--	033--	036--
ZONE-RATED						
Heavy Trucks (20,001-45,000 Lbs. G.V.W.)	Service	Factor Code (Non-Fleet, Fleet)	0.90		1.00	
			213--	216--	213--	216--
	Retail	Factor Code (Non-Fleet, Fleet)	0.90		1.00	
			223--	226--	223--	226--
Extra-Heavy Trucks (Over 45,000 Lbs. G.V.W.)	Commercial	Factor Code (Non-Fleet, Fleet)	0.90		1.00	
			233--	236--	233--	236--
Heavy Truck-Tractors (0-45,000 Lbs. G.V.W.)	Service	Factor Code (Non-Fleet, Fleet)	1.00		1.00	
			313--	316--	313--	316--
	Retail	Factor Code (Non-Fleet, Fleet)	1.00		1.00	
			323--	326--	323--	326--
Extra-Heavy Truck-Tractors (Over 45,000 Lbs. G.V.W.)	Commercial	Factor Code (Non-Fleet, Fleet)	1.00		1.00	
			333--	336--	333--	336--
Trailer Types						
Semitrailers						
Trailers		Factor Code (Non-Fleet, Fleet)	0.15		0.65	
			673--	676--	673--	676--
Service Or Utility Trailer (0-2,000 Lbs. Load Capacity)		Factor Code (Non-Fleet, Fleet)	0.15		0.65	
			683--	686--	683--	686--
Service Or Utility Trailer (0-2,000 Lbs. Load Capacity)		Factor Code (Non-Fleet, Fleet)	0.00		0.65	
			693--	696--	693--	696--

Table 23.B.5.c. Long Distance Radius

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 23.
TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS (Continued)

Paragraph C. is replaced by the following:

C. Secondary Classification - Special Industry Class

- 1. Application**
 According to classification, combine the secondary factor in this section with the primary factor. Insert the code provided in the 4th and 5th digit of the classification code.
- 2. Autos Having More Than One Use**
 Where more than one secondary rating factor applies, use the highest rated classification unless 80% of the use is in a lower rated activity. In that case, use the lower rated classification.
- 3. Trailer Types and Zone-Rated Autos**
 Use the classification codes provided in the tables of this section. All secondary factors for Trailer Types and Zone-Rated Autos are zero (0.00). Do not use factors from this section.
- 4. Truckers**
 Autos used to haul or transport goods, materials or commodities for another, other than autos used in moving operations.

Truckers			
Secondary Factor For Autos (Except Trailer Types And Zone-Rated Autos)			
Classification		Secondary Factor	Code
a.	Common Carriers	+0.65	---21
b.	Contract Carriers (Other than Chemical or Iron and Steel Haulers)	+0.65	---22
c.	Contract Carriers Hauling Chemicals	+0.65	---23
d.	Contract Carriers Hauling Iron and Steel	+0.65	---24
e.	Exempt Carriers (Other than Livestock Haulers)	+0.65	---25
f.	Exempt Carriers Hauling Livestock	+0.65	---26
g.	Carriers Engaged in both Private Carriage and Transporting Goods, Materials or Commodities for Others	+0.65	---02
h.	Tow Trucks For-Hire	+0.65	---03
i.	All Other		---29

Table 23.C.4. Truckers

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 23.
TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS (Continued)

5. Food Delivery

Autos used by food manufacturers to transport raw and finished products or used in wholesale distribution of food.

		Secondary Factor To Be Combined With Primary Factor		Code To Be In- serted in 4th & 5th Digit Of Classification Code
Classification		All Other Autos		
a.	Canneries and Packing Plants	+0.40		31
b.	Fish and Seafood	+0.40		32
c.	Frozen Food	+0.40		33
d.	Fruit and Vegetable	+0.40		34
e.	Meat or Poultry	+0.40		35
f.	All Other	+0.40		39

Table 23.C.5. Food Delivery

6. Specialized Delivery

Autos used in deliveries subject to time and similar constraints.

		Secondary Factor To Be Combined With Primary Factor		Code To Be In- serted in 4th & 5th Digit Of Classification Code
Classification		All Other Autos		
a.	Armored Cars	+0.65		41
b.	Film Delivery	+0.65		42
c.	Magazines or Newspapers	+0.65		43
d.	Mail and Parcel Post	+0.65		44
e.	All Other	+0.65		49

Table 23.C.6. Specialized Delivery

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 23.
TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS (Continued)

7. Waste Disposal

Autos transporting salvage and waste material for disposal or resale.

		Secondary Factor To Be Combined With Primary Factor		Code To Be In- serted in 4th & 5th Digit Of Classification Code
Classification		All Other Autos		
a.	Auto Dismantlers	+0.25		51
b.	Building Wrecking Operators	+0.25		52
c.	Garbage	+0.25		53
d.	Junk Dealers	+0.25		54
e.	All Other	+0.25		59

Table 23.C.7. Waste Disposal

8. Farmers

Autos owned by a farmer, used in connection with the operation of his own farm and occasionally used to haul commodities for other farmers.

		Secondary Factor To Be Combined With Primary Factor		Code To Be In- serted in 4th & 5th Digit Of Classification Code
Classification		All Other Autos		
a.	Individually Owned or Family Corp. (Other than Livestock Hauling)	-0.50		61
b.	Livestock Hauling	-0.50		62
c.	All Other	-0.50		69

Table 23.C.8. Farmers

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 23.
TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS (Continued)

9. Dump And Transit Mix Trucks And Trailers

(Use these factors and codes only when no other secondary classification applies.)

Classification		Secondary Factor	Code To Be Inserted in 4th & 5th Digit Of Classification Code
a.	Excavating	-0.20	71
b.	Sand and Gravel (Other than Quarrying)	-0.20	72
c.	Mining	-0.20	73
d.	Quarrying	-0.20	74
e.	All Other	-0.20	79

Table 23.C.9. Dump And Transit Mix Trucks and Trailers

10. Contractors

(Other than dump trucks.)

Classification		Secondary Factor To Be Combined With Primary Factor Secondary Factor	Code To Be Inserted in 4th & 5th Digit Of Classification Code
a.	Building - Commercial	-0.05	81
b.	Building - Private Dwellings	-0.05	82
c.	Electrical, Plumbing, Masonry, Plastering and Other Repair or Service	-0.05	83
d.	Excavating	-0.05	84
e.	Street and Road	-0.05	85
f.	All Other	-0.05	89

Table 23.C.10. Contractors

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 23.
TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS (Continued)

11. Not Otherwise Specified

		Secondary Factor To Be Combined With Primary Factor	Code To Be In- serted in 4th & 5th Digit Of Classification Code
Classification		Secondary Factor	
a.	Logging and Lumbering	0.00	91
b.	All Other	0.00	99

Table 23.C.11. Not Otherwise Specified

Paragraph D.3. is replaced by the following:

D. Special Provision For Certain Risks

3. Amusement Devices (Class Code 7905)

A Coverage Form that covers an auto with an amusement device mounted on it must cover the operation of the amusement device. Develop the additional premium by multiplying the trucks, tractors and trailers liability base premium by **1.60**. The premium is for the period of coverage and not subject to any return.

Paragraph D.8. **Additional Coverages** is amended by the addition of the following:

To provide additional coverages for all territories (Subline Code 618), multiply the Specified Causes of Loss (Coverage Code 020) premium by the following factors:

Coverage	Factor
Fire Only	0.35
Fire and Theft Only	0.50
Fire, Theft and Windstorm Only	0.80
Limited Specified Causes of Loss	0.90
For Stated Amount rating, refer to Company.	

Table 23.D.8. Additional Coverages

RULE 24.
TRUCKERS/MOTOR CARRIERS

Paragraph C.2.c. is replaced by the following:

C. Premium Determination

2. Cost of Hire Basis (Class Code 6626, For Truckers Without Hold Harmless Agreements and 6628, For Truckers With Hold Harmless Agreements. Minimum Premium Class Code 6619)

c. The cost of hire rate is determined by multiplying the average specified auto rate by .0020.

C. 2. g. Minimum Premium

\$30 for bodily injury and property damage liability at a \$100,000 limit.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 25.
PREMIUM DEVELOPMENT - ZONE-RATED AUTOS**

Paragraph C.2.b. is replaced by the following:

- C. 2. Premium Development -- Liability And Basic No-Fault Coverages**
b. For fleets, multiply the base premiums by **0.70**.

Paragraph C.3.a. is amended by the addition of the following:

Zone-Rating Table - Zone 17 (Little Rock) Combinations

Table 25.C.3.a.#1

Zone	Description	Code	Specified Causes of Loss	Comp.	Collision
01	Atlanta	201	0.629	0.967	1.274
02	Baltimore/Washington	202	0.554	0.852	1.841
03	Boston	203	0.576	0.886	0.954
04	Buffalo	204	0.554	0.852	1.841
05	Charlotte	205	0.629	0.967	1.274
06	Chicago	206	0.584	0.898	1.333
07	Cincinnati	207	0.584	0.898	1.333
08	Cleveland	208	0.584	0.898	1.333
09	Dallas/Fort Worth	209	0.601	0.925	0.952
10	Denver	210	0.674	1.037	1.182
11	Detroit	211	0.584	0.898	1.333
12	Hartford	212	0.576	0.886	0.954
13	Houston	213	0.601	0.925	0.952
14	Indianapolis	214	0.584	0.898	1.333
15	Jacksonville	215	0.629	0.967	1.274
16	Kansas City	216	0.606	0.932	1.025
17	Little Rock	217	0.601	0.925	0.952
18	Los Angeles	218	0.813	1.251	1.326
19	Louisville	219	0.659	1.014	0.950
20	Memphis	220	0.659	1.014	0.950
21	Miami	221	0.629	0.967	1.274
22	Milwaukee	222	0.606	0.932	1.025
23	Minneapolis/St. Paul	223	0.606	0.932	1.025
24	Nashville	224	0.659	1.014	0.950
25	New Orleans	225	0.631	0.970	1.218
26	New York City	226	0.554	0.852	1.841
27	Oklahoma City	227	0.601	0.925	0.952
28	Omaha	228	0.606	0.932	1.025
29	Phoenix	229	0.674	1.037	1.182
30	Philadelphia	230	0.554	0.852	1.841
31	Pittsburgh	231	0.554	0.852	1.841
32	Portland	232	0.813	1.251	1.326
33	Richmond	233	0.629	0.967	1.274
34	St. Louis	234	0.606	0.932	1.025
35	Salt Lake City	235	0.674	1.037	1.182
36	San Francisco	236	0.813	1.251	1.326
37	Tulsa	237	0.601	0.925	0.952
40	Pacific	240	0.813	1.251	1.326
41	Mountain	241	0.674	1.037	1.182
42	Midwest	242	0.606	0.932	1.025
43	Southwest	243	0.601	0.925	0.952
44	North Central	244	0.584	0.898	1.333
45	Mideast	245	0.659	1.014	0.95
46	Gulf	246	0.631	0.970	1.218
47	Southeast	247	0.629	0.967	1.274
48	Eastern	248	0.554	0.852	1.841
49	New England	249	0.576	0.886	0.954

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 25.
PREMIUM DEVELOPMENT - ZONE-RATED AUTOS (cont'd)

Zone-Rating Table - Zone 43 (Southwest) Combinations

Table 25.C.3.a.#2

Zone	Description	Code	Specified Causes of Loss	Comp.	Collision
01	Atlanta	901	0.629	0.967	1.274
02	Baltimore/Washington	902	0.554	0.852	1.841
03	Boston	903	0.576	0.886	0.954
04	Buffalo	904	0.554	0.852	1.841
05	Charlotte	905	0.629	0.967	1.274
06	Chicago	906	0.584	0.898	1.333
07	Cincinnati	907	0.584	0.898	1.333
08	Cleveland	908	0.584	0.898	1.333
09	Dallas/Fort Worth	909	0.601	0.925	0.952
10	Denver	910	0.674	1.037	1.182
11	Detroit	911	0.584	0.898	1.333
12	Hartford	912	0.576	0.886	0.954
13	Houston	913	0.601	0.925	0.952
14	Indianapolis	914	0.584	0.898	1.333
15	Jacksonville	915	0.629	0.967	1.274
16	Kansas City	916	0.606	0.932	1.025
17	Little Rock	917	0.601	0.925	0.952
18	Los Angeles	918	0.813	1.251	1.326
19	Louisville	919	0.659	1.014	0.950
20	Memphis	920	0.659	1.014	0.950
21	Miami	921	0.629	0.967	1.274
22	Milwaukee	922	0.606	0.932	1.025
23	Minneapolis/St. Paul	923	0.606	0.932	1.025
24	Nashville	924	0.659	1.014	0.950
25	New Orleans	925	0.631	0.970	1.218
26	New York City	926	0.554	0.852	1.841
27	Oklahoma City	927	0.601	0.925	0.952
28	Omaha	928	0.606	0.932	1.025
29	Phoenix	929	0.674	1.037	1.182
30	Philadelphia	930	0.554	0.852	1.841
31	Pittsburgh	931	0.554	0.852	1.841
32	Portland	932	0.813	1.251	1.326
33	Richmond	933	0.629	0.967	1.274
34	St. Louis	934	0.606	0.932	1.025
35	Salt Lake City	935	0.674	1.037	1.182
36	San Francisco	936	0.813	1.251	1.326
37	Tulsa	937	0.601	0.925	0.952
40	Pacific	940	0.813	1.251	1.657
41	Mountain	941	0.674	1.037	1.477
42	Midwest	942	0.606	0.932	1.281
43	Southwest	943	0.601	0.925	1.190
44	North Central	944	0.584	0.898	1.666
45	Mideast	945	0.659	1.014	1.187
46	Gulf	946	0.631	0.970	1.522
47	Southeast	947	0.629	0.967	1.593
48	Eastern	948	0.554	0.852	2.301
49	New England	949	0.576	0.886	1.192

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 25.
PREMIUM DEVELOPMENT - ZONE-RATED AUTOS (cont'd)**

Paragraph **C.3.b., e. and f.** are replaced by the following:

3. Physical Damage

- b. For fleets, multiply the base premiums by the following factors:

Other Than Collision	Collision
0.65	0.60

Table 25.C.3.b. Fleets Physical Damage Coverages Factors

- e. For trucks and trailers used in dumping operations, and all truck-tractors, multiply the \$500 deductible collision premium by the following factor:

Factor
1.25

Table 25.C.3.e. Trucks And Trailers Used in Dumpin Operations And All Truck-Factors And Autos Physical Damage Coverages Factor

- f. For specified causes of loss, multiply the \$500 comprehensive premium bythe following factor. For additional coverages, refer to Table **23.D.8.**

Factor
0.937

Table 25.C.3.f. Specified Causes Of Loss Physical Damage Coverages Factor

**RULE 31.
ELIGIBILITY**

Paragraph **C.** is replaced by the following:

C. Factors

The following factors apply only to those private passenger type autos insured on a Business Auto, Motor Carrier or Truckers Coverage Form or on a Garage Coverage Form insuring a non-dealer. These private passenger types must be:

1. Furnished to individuals by sole proprietorships, corporations, partnerships and unincorporated associations owning less than 5 autos and not used for business purposes except for occasional business use that is the same as what would be expected for personal private passenger autos; or
2. Owned by family partnerships or family corporations and which are:
 - a. Garaged on a farm or ranch; and
 - b. Not rated as part of a fleet; and
 - c. Not used in any occupation other than farming or ranching.
 - d. Use the factors in Table 31.C.2.d. for Operator Experience and Use.

Add the Operator Experience and Use factors to get a total combined factor. Multiply the private passenger type rates developed from the state company rates/ISO loss costs for liability, physical damage, medical payments and basic no-fault coverages by the total combined factor.

Operator Experience	Factor
No operator licensed less than 5 years	0.75
Operator licensed less than 5 years not owner or principal operator	1.40
Owner or principal operator licensed less than 5 years	2.00
USE	Factor
Not driven to work or school	0.00
To or from work less than 25 miles	0.15
To or from work 25 or more miles	0.25

Table 31.C.2.d. Operator Experience and Use Factors

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 33.
FARMERS AUTOS (Class Code 7399)**

Paragraph **B.** is replaced the following:

B. Premium Computation

Multiply the private passenger type rates in the state company rates/ISO loss costs by **.75**.

**RULE 39.
PREMIUM DEVELOPMENT - OTHER THAN ZONE-RATED AUTOS**

Paragraphs **C.2** and **C.3** Are replaced by the following:

C. Premium Computation

2. Liability, Basic No-Fault and Medical Payment Coverages

- a. Determine the base premium in the state company/ISO loss costs.
- b. For fleets, multiply the base premiums by the following factors:

Vehicle Type	Factor
Taxis and Limousines	1.10
School and Church Buses	1.20

- c. Multiply the base premium by the combined rating factor.
- d. For deductibles, refer to Rule 98.

3. Physical Damage Coverage

- a. Determine the appropriate premium based on age, original cost new and type of vehicle.
- b. For other than collision coverage on fleets, multiply the base premiums by the following factors:

Vehicle Type	Factor
Limousines	0.85
School and Church Buses	0.85
All Other Buses	0.85

- c. Multiply the base premium by the combined rating factor.
- d. For additional deductibles, refer to Rule 98.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 40.
PUBLIC AUTO CLASSIFICATIONS**

Paragraph D.3. Is replaced by the following:

D. Primary Classifications

3. Non-Fleet and Fleet Primary Classifications - Rating Factors and Statistical Codes for Local, Intermediate and Long Distance Radius

a. Taxicabs, Limousines and Buses

Categories		Local (Up to 50 Miles)			
		Liability		Physical Damage	
Taxicab or Similar Passenger Carrying Service	Factor Code (Non-Fleet, Fleet)	1.00 4159	4189	2.70 4159	4189
Limousine	Factor Code (Non-Fleet, Fleet)	0.40 4259	4289	1.35 4259	4289
School Bus Owned by Political Subdivision or School District	Factor Code (Non-Fleet, Fleet)	1.20 615--	618--	0.50 615--	618--
Other School Bus	Factor Code (Non-Fleet, Fleet)	1.50 625--	628--	0.50 625--	628--
Church Bus	Factor Code (Non-Fleet, Fleet)	1.00 635--	638--	1.00 635--	638--
Urban Bus	Factor Code (Non-Fleet, Fleet)	0.80 515--	518--	1.45 515--	518--
Airport Bus or Airport Limousine	Factor Code (Non-Fleet, Fleet)	0.70 525--	528--	1.55 525--	528--
Inter-City Bus	Factor Code (Non-Fleet, Fleet)	1.05 535--	538--	0.95 535--	538--
Charter Bus	Factor Code (Non-Fleet, Fleet)	1.00 545--	548--	1.55 545--	548--
Sightseeing Bus	Factor Code (Non-Fleet, Fleet)	0.75 555--	558--	0.90 555--	558--
Trans. of Athletes and Entertainers	Factor Code (Non-Fleet, Fleet)	0.45 565--	568--	1.40 565--	568--
Social Service Auto Employee-Operated	Factor Code (Non-Fleet, Fleet)	0.55 645--	648--	1.20 645--	648--
Social Services Auto All Other	Factor Code (Non-Fleet, Fleet)	0.50 655--	658--	1.20 655--	658--
Bus Not Otherwise Classified	Factor Code (Non-Fleet, Fleet)	0.55 585--	588--	1.25 585--	588--

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 40.
PUBLIC AUTO CLASSIFICATIONS (cont'd)

Categories		Intermediate (51 to 200 Miles)			
		Liability		Physical Damage	
Taxicab or Similar Passenger Carrying Service	Factor Code (Non-Fleet, Fleet)	1.15 4169	4199	3.10 4169	4199
Limousine	Factor Code (Non-Fleet, Fleet)	0.45 4269	4299	1.55 4269	4299
School Bus Owned by Political Subdivision or School District	Factor Code (Non-Fleet, Fleet)	1.40 616--	619--	0.55 616--	619--
Other School Bus	Factor Code (Non-Fleet, Fleet)	1.75 626--	629--	0.55 626--	629--
Church Bus	Factor Code (Non-Fleet, Fleet)	1.15 636--	639--	1.15 636--	639--
Urban Bus	Factor Code (Non-Fleet, Fleet)	0.90 516--	519--	1.65 516--	519--
Airport Bus or Airport Limousine	Factor Code (Non-Fleet, Fleet)	0.80 526--	529--	1.80 526--	529--
Inter-City Bus	Factor Code (Non-Fleet, Fleet)	1.20 536--	539--	1.10 536--	539--
Charter Bus	Factor Code (Non-Fleet, Fleet)	1.15 546--	549--	1.80 546--	549--
Sightseeing Bus	Factor Code (Non-Fleet, Fleet)	0.85 556--	559--	1.05 556--	559--
Trans, of Athletes and Entertainers	Factor Code (Non-Fleet, Fleet)	0.50 566--	569--	1.60 566--	569--
Social Service Auto Employee-Operated	Factor Code (Non-Fleet, Fleet)	0.65 646--	649--	1.40 646--	649--
Social Services Auto All Other	Factor Code (Non-Fleet, Fleet)	0.60 656--	659--	1.40 656--	659--
Bus Not Otherwise Classified	Factor Code (Non-Fleet, Fleet)	0.65 586--	589--	1.45 586--	589--

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 40.
PUBLIC AUTO CLASSIFICATIONS (cont'd)

Categories		Long Distance (Over 200 Miles)			
		Liability		Physical Damage	
Taxicab or Similar Passenger Carrying Service	Factor Code (Non-Fleet, Fleet)	1.25 4179	4109	3.25 4179	4109
Limousine	Factor Code (Non-Fleet, Fleet)	0.50 4279	4209	1.65 4279	4209
School Bus Owned by Political Subdivision or School District	Factor Code (Non-Fleet, Fleet)	1.50 617--	610--	0.60 617--	610--
Other School Bus	Factor Code (Non-Fleet, Fleet)	1.90 627--	620--	0.60 627--	620--
Church Bus	Factor Code (Non-Fleet, Fleet)	1.25 637--	630--	1.20 637--	630--
		Zone-Rated			
Airport Bus or Airport Limousine	Factor Code (Non-Fleet, Fleet)	1.10 5279	5209	1.00 5279	5209
Inter-City Bus	Factor Code (Non-Fleet, Fleet)	1.85 5379	5309	1.00 5379	5309
Charter Bus	Factor Code (Non-Fleet, Fleet)	1.85 5479	5409	1.00 5479	5409
Sightseeing Bus	Factor Code (Non-Fleet, Fleet)	1.65 5579	5509	1.00 5579	5509
Trans. of Athletes and Entertainers	Factor Code (Non-Fleet, Fleet)	1.00 5679	5609	1.00 5679	5609
Social Service Auto Employee-Operated	Factor Code (Non-Fleet, Fleet)	0.95 6479	6409	1.00 6479	6409
Social Services Auto All Other	Factor Code (Non-Fleet, Fleet)	0.95 6579	6509	1.00 6579	6509
Bus Not Otherwise Classified	Factor Code (Non-Fleet, Fleet)	0.95 5879	5809	1.00 5879	5809

Table 40.D.3.a. Taxicabs, Limousines and Buses
b. Van Pools

Categories		Liability			
		Seating Capacity			
		1 - 8	9 - 20	21- 60	Over 60
Employer Furnished	Factor	1.00	1.05	1.10	1.50
	Code	4111	4112	4113	4114
All Other	Factor	1.10	1.15	1.35	1.75
	Code	4121	4122	4123	4124

Categories		Physical Damage			
		Seating Capacity			
		1 - 8	9 - 20	21- 60	Over 60
Employer Furnished	Factor	0.50	0.45	0.40	0.35
	Code	4111	4112	4113	4114
All Other	Factor	0.65	0.55	0.50	0.45
	Code	4121	4122	4123	4124

Table 40.D.3.b. Van Pools

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 40.
PUBLIC AUTO CLASSIFICATIONS (cont'd)**

Paragraph E. is replaced by the following:

E. Secondary Classifications

These classifications do not apply to taxicabs, limousines (except airport limousines), van pools and zone-rated autos. According to classification, combine the secondary factor in this section with the primary factor. Insert the code provided in the 4th digit of the classification code.

Categories		Liability			
		Seating Capacity			
		1 - 8	9 - 20	21- 60	Over 60
School and Church Buses	Factor	+ 0.00	+ 0.10	+ 0.25	+ 0.50
	Code	---1	---2	---3	---4
Other Buses	Factor	- 0.20	- 0.15	+ 0.15	+ 0.40
	Code	---1	---2	---3	---4

Categories		Physical Damage			
		Seating Capacity			
		1 - 8	9 - 20	21- 60	Over 60
School and Church Buses	Factor	+ 0.00	+ 0.00	+ 0.00	+ 0.00
	Code	---1	---2	---3	---4
Other Buses	Factor	+ 0.00	+ 0.00	+ 0.00	+ 0.00
	Code	---1	---2	---3	---4

For All Other not secondary rated use Code ---9.

Table 40.E.Secondary Classifications

Paragraph F. **Additional Coverages** is amended by the addition of the following:

To provide additional coverages for all territories (Subline Code 618), multiply the Specified Causes of Loss (Coverage Code 020) premium by the following factors:

Coverage	Code	Factor
Fire Only	011	0.35
Fire and Theft Only	012	0.50
Fire, Theft and Windstorm Only	031	0.80
Limited Specified Causes of Loss	021	0.90

For Stated Amount rating, refer to company.

Table 40.F. Additional Coverages

**RULE 41.
PREMIUM DEVELOPMENT - ZONE-RATED AUTOS**

Paragraph C.3.D. is replaced by the following:

C. Premium Development

3. Physical Damage Coverages

- d. For specified causes of loss, multiply the \$500 comprehensive premium by the following factor. For additional coverages refer to Table 40.F.

Other Than Collision
0.937

Table 41.C.3.d. Specified Causes Of Loss Coverage Factor

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 42.
GROSS RECEIPTS OR MILEAGE BASIS**

Paragraph D.1. is replaced by the following:

D. Medical Payments

1. If the policy provides medical payments, compute the premium by multiplying the \$ 100,000 liability premium and minimum premium by the following factors:

	\$500	\$1,000	\$5,000
Limit Codes	(1)	(3)	(6)
	0.021	0.024	0.032

Table 42.D.1. Medical Payments

**RULE 49.
AUTO DEALERS - PREMIUM DEVELOPMENT**

The following is added to Paragraph A:

Limited liability coverage is not applicable, See Paragraph B.

Paragraph B.1. is replaced by the following:

B. Unlimited Liability Coverage For Customers

1. Liability coverage must be extended to provide unlimited customer coverage. The rates/loss costs displayed in the state company/ISO pages are for unlimited liability coverage. No further adjustment is necessary.

Paragraph B.2. does not apply.

Paragraph E.3.a. is replaced by the following:

E. Medical Payments

3. Auto Exposure, Garage Operations or Combined Garage Operations and Auto Exposure

- a. Multiply the \$ 100,000 liability premium by the factors from the following:

For dealers medical payments with unlimited liability coverage, use the following table:

Medical Payments Limit Per Person				
	\$500	\$1,000	\$2,000	\$5,000
Limit Codes	(1)	(3)	(4)	(6)
Auto	0.020	0.024	0.027	0.036
Gar Operations	0.006	0.009	0.013	0.016
Combined	0.026	0.034	0.040	0.053

The following is added to G. Physical Damage, 3.e.(5)Collision:

- (a) CA 25 02 if Collision is written on a Reporting Basis
(b) CL CA 25 05 if Collision Coverage is written on a Non-Reporting Basis.

**RULE 50.
AUTO DEALERS - ADDITIONAL PROVISIONS**

Paragraph C. is amended by the addition of the following:

6. Additional Insured - Grantor of Franchise - Use Additional Insured - Garages - Grantor of Franchise Endorsement - CA 20 49.

Loss Cost: \$ 31.25 Flat Charge per additional insured.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

RULE 50.

AUTO DEALERS - ADDITIONAL PROVISIONS (cont'd)

7. Additional Insured - Lessor of Leased Equipment

Use Additional Insured - Lessor of Leased Equipment Endorsement CA 20 47.

Loss Cost: \$ 15.50 Flat Charge per additional insured.

8. Basic Garage Policy Extension Endorsement

**(Available for renewal policies only effective January 1, 2009 and after.
New Business January 1, 2009 and after should use ISO's CA 25 14 endorsement)**

a. Description: 10 coverage extensions are made in this optional endorsement, as follows below:

- (1) Personal and Advertising Injury Liability Coverage (per limit scheduled in endorsement)
- (2) Garage Locations and Operations Medical Payments Coverage (\$2,000 Limit)
- (3) Host Liquor Liability Coverage
- (4) Fire Legal Liability Coverage (\$100,000 limit, unless higher limit is shown in the endorsement)
- (5) Incidental Medical Malpractice Liability Coverage
- (6) Non-Owned Watercraft Liability Coverage
- (7) Additional Persons Insured (Spouses)
- (8) Automatic Coverage -- Newly Acquired Garage Business (90 days)
- (9) Limited Worldwide Liability Coverage
- (10) Fellow Employee Liability Coverage

b. Eligibility: Any Auto Dealer

c. Form: Use endorsement **CL CA 00 03**.

d. Premium:

- (1) Dealers:
5% - 15% of the Garage Liability and PIP final annual premiums, subject to a
minimum annual premium of **\$150**. Premium is not subject to any credits or rating plans.

9. Garage Policy Extension Endorsement, CL CA 25 11

a. Description: 16 coverage extensions are made in this **optional** endorsement, as follows below:

- (1) Additional Persons Insured
- (2) Miscellaneous Additional Insureds
- (3) Completed Operations Property Damage Deductible Deleted
- (4) Dealers Driveaway Collision Coverage
- (5) Economic Loss Coverage (\$ 2,500 Maximum)
- (6) False Pretense Coverage (\$ 50,000 Any One Person)
- (7) Incidental Medical Malpractice Liability Coverage
- (8) Knowledge of Accident, Claim, Suit or Loss Provision Revised
- (9) Legal Liability - Damage to Premises Rented to You (\$ 300,000 Limit)
- (10) Limited Fellow Employee Coverage
- (11) Limited Worldwide Liability Coverage
- (12) Medical Payments - Garage Locations and Operations (\$ 5,000 Limit)
- (13) Newly Formed or Acquired Garage Business - Automatic Coverage
- (14) Non-Owned Watercraft Liability Coverage (Maximum length increased to < 51 feet)
- (15) Personal and Advertising Injury Liability Coverage
- (16) Supplementary Payments - Bail Bonds (\$ 3,000 Limit) and Loss of Earnings (\$ 1,000)

b. Eligibility: Any Franchised Auto Dealer.

c. Forms: Use endorsement **CL CA 25 11**

d. Premium: 10% of the Garage Liability, PIP and Dealers Physical Damage final annual premiums, subject to a minimum annual premium of **\$500**. Premium is not subject to any credits or rating plans.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

RULE 50.

AUTO DEALERS - ADDITIONAL PROVISIONS (cont'd)

10. WEATHER-RELATED DEALERS PHYSICAL DAMAGE DEDUCTIBLES - GARAGE FORM

Other Than Collision (OTC) coverage deductibles may be amended under Dealers' Physical Damage Coverage with respect to weather-related losses. Two deductible options are available: **\$500** or **\$1,000**.

Use endorsement **US CA 03**. This is a non-premium bearing endorsement.

11. Abuse or Molestation Exclusion - Garage Operations - Other Than Covered Autos

To exclude the actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, attach **CL CA 25 06** - Abuse or Molestation Exclusion - Garage Operations - Other than Covered Autos.

12. The following additional coverages can be provided for the limits and premiums shown:

Coverage	Endorsement	Limit of Insurance	Loss Cost
Title Errors and Omissions	Use CL CA 25 17	\$300,000 sublimit	50.00
	Use CL CA 25 28	"Each Accident" Policy Limit	75.00
Insurance Agent Errors and Omissions	Use CL CA 25 15	\$300,000 sublimit	50.00
	Use CL CA 25 26	"Each Accident" Policy Limit	100.00
Odometer Alteration	Use CL CA 25 16	\$300,000 sublimit	50.00
	Use CL CA 25 27	"Each Accident" Policy Limit	75.00
Truth in Lending Errors and Omissions	Use CL CA 25 19	\$300,000 sublimit	50.00
	Use CL CA 25 30	"Each Accident" Policy Limit	75.00
Truth in Leasing Errors and Omissions	Use CL CA 25 18	\$300,000 sublimit	50.00
	Use CL CA 25 29	"Each Accident" Policy Limit	75.00

13. Employee Benefits Liability Coverage

Employee Benefits Liability Coverage may be written to cover those sums that the "insured" becomes legally obligated to pay as damages because of any act, error or omission negligently committed in the "administration" of the "employee benefit program". The act, error or omission must take place in the coverage territory and during the policy period. The limit per employee is equal to the "Each Accident" - Garage Operations - Other than Covered "Autos" and subject to the Aggregate Limit - Garage Operations - Other than Covered "Autos".

Use Endorsement **CL CA 25 20** - Employee Benefits Liability Coverage - Auto Dealers

Each "Acc" Limit	Loss cost per Employee	Minium Premium
100,000	0.300	140
250,000	0.336	190
300,000	0.354	215
500,000	0.410	260
1,000,000	0.444	285

RULE 55.

GARAGEKEEPERS' INSURANCE - PREMIUM DEVELOPMENT

The following paragraph is added to Rule 55:

- D. Garagekeepers Comprehensive coverage can be written with the perils of wind, hail and flood excluded.
1. Use form **CL CA 25 21** - Garagekeepers Wind, Hail & Flood Exclusion
 2. To develop the premium, apply a factor of 0.85 to the otherwise applicable Comprehensive premium.

CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS

RULE 64.
AMBULANCE SERVICES (Class Code 7919)

Paragraph **C.1.** is replaced by the following:

C. Premium Computation (Class Code 7919)

1. Liability and No-Fault Coverages

Multiply the trucks, tractors and trailers base premiums by 1.75.

Paragraph **C.2.b.** is replaced by the following:

C. Premium Computation (Class Code 7919)

2. Physical Damage

- b.** Multiply the trucks, trailers and semitrailers not used in dumping operations base premium by the following rating factors:

Other Than Collision	Collision
0.40	0.60

Table 64.C.2.b. Ambulance Services Physical Damage Factors

RULE 66.
ANTIQUE AUTOS (Class Code 9620)

Paragraph **B.1.** is replaced by the following:

B. Premium Computation

1. Liability And Basic No-Fault Coverages

RULE 68.
DRIVER TRAINING PROGRAMS (EDUCATIONAL INSTITUTIONS AND COMMERCIAL DRIVING SCHOOLS) AND AUTO REPAIR TRAINING

Paragraph **A.2.** is replaced by the following:

A. Driver Training Programs - Educational Institutions (Class Code 7926)

2. Premium Computation

a. Liability, Basic No-Fault And Collision Coverages

(1) For autos equipped with dual controls, multiply the private passenger type rates by .50.
There must be dual brakes to qualify as dual control.

(2) For autos not equipped with dual controls, multiply the private passenger type rates by 1.00.

b. Other Than Collision

Multiply the private passenger type rates by .85.

c. All Other Coverages

Charge private passenger type rates.

Paragraph **B.2.a.(1)** is replaced by the following:

B. Commercial Driving Schools (Class Code 7927)

CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS

RULE 68.
DRIVER TRAINING PROGRAMS (EDUCATIONAL INSTITUTIONS AND COMMERCIAL
DRIVING SCHOOLS) AND AUTO REPAIR TRAINING (cont'd)

2. Premium Computation

a. Owned Private Passenger Auto

(1) For liability and basic no-fault coverages:

- (a) For autos equipped with dual controls, charge the private passenger type rates.
There must be dual brakes to qualify as dual control.
- (b) For autos not equipped with dual controls, multiply the private passenger type rates by 2.00.

(2) For collision coverage:

- (a) For autos equipped with dual controls, multiply the private passenger type rates by .75.
There must be dual brakes to qualify as dual control.
- (b) For autos not equipped with dual controls, multiply the private passenger type rates by 1.50.

(3) For all other coverages, charge private passenger type rates.

RULE 69.
DRIVE-AWAY CONTRACTORS (Class Code 7923)

Paragraph **B.1.a.** is replaced by the following:

B. Premium Computation

1. Liability

- a. For each set of registration plates not issued for attachment to a specific auto, multiply the private passenger types premium in the highest rated territory in which or through which each auto is driven by 1.50.

RULE 71.
FIRE DEPARTMENTS

Paragraphs **B.1.** And **B.3.** are replaced by the following:

B. Premium Computation

1. Private Passenger Autos (Class Code 7908)

- a. For liability and basic no-fault coverages, multiply the private passenger type rates by .80.
- b. For physical damage, multiply the private passenger type rates by the following factors:

Other Than Collision	Collision
0.40	0.45

Table 71.B.1.b. Fire Departments Physical Damage Factors

3. All Other Types (Class Code 7909)

a. Liability And Basic No-Fault Coverages

Multiply the trucks, tractors and trailers base premium by 0.90.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 71.
FIRE DEPARTMENTS (cont'd)**

b. Physical Damage

- (1) Determine the age group and original cost new.
- (2) Multiply the trucks, trailers and semitrailers not used in dumping operations base premium by the following rating factors:

Other Than Collision	Collision
0.35	0.35

Table 71.B.3.b. Fire Departments Physical Damage Factors

**RULE 72.
FUNERAL DIRECTORS**

Paragraphs **B.1.b.** and **B.2.** are replaced by the following:

B. Premium Computations

1. Limousines (Class Code 7915)

- a. For liability, medical payments and basic no fault coverages, multiply the private passenger types rates by **0.70**.
- b. For physical damage, multiply the private passenger type rates by **.60**.

2. Hearses And Flower Cars (Class Code 7922)

- a. For liability, medical payments and basic no-fault coverages, multiply the trucks, tractors or trailers base premiums by **.55**.
- b. For physical damage, multiply the trucks, trailers and semitrailers not used in dumping operations base premium by the following factors:

Other Than Collision	Collision
0.50	0.45

Table 72.B.2.b. Funeral Directors Physical Damage Factors

Paragraph **C.** does not apply.

**RULE 74.
LAW ENFORCEMENT AGENCIES**

Paragraphs **B.1.** and **B.4.b.** are replaced by the following:

B. Premium Computation

1. Private Passenger Autos (Class Code 7911)

a. Liability And Basic No-Fault Coverages

Multiply private passenger type rates by 1.15.

b. Physical Damage

Multiply private passenger types rates by the following factors:

Other Than Collision	Collision
0.90	1.00

Table 74.B.1.b. Law Enforcement Agencies Physical Damage Factors

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 74.
LAW ENFORCEMENT AGENCIES (cont'd)**

4. All Other Types (Class Code 7912)

a. Liability And Basic No-Fault Coverages

Multiply trucks, tractors and trailers base premiums by 1.40.

b. Physical Damage

(1) Determine the age group and original cost new.

(2) Multiply the trucks, trailers and semitrailers not used in dumping operations base premium by the following rating factors:

Other Than Collision	Collision
0.90	0.90

Table 74.B.4.b.(2) Law Enforcement Agencies Physical Damage Factors

**RULE 75.
LEASING OR RENTAL CONCERNS**

Paragraphs **B.1.b.(1)**, **B.1.b.(2)(a)**, through **B.1.b.(3)** are replaced by the following:

B. Premium Computation

1. Specified Car Basis

b. Short Term - Autos Rented By The Hour, Day Or Week

(1) Trucks, Tractors And Trailers

Multiply the trucks, tractors and trailers base premiums by the following factors:

Vehicle Type	Class Code	Liability	Physical Damage
Trucks	7211	2.50	4.30
Tractors	7212	2.75	4.30
Trailers, Semitrailers & Service Trailers	7213	0.10	0.20

Table 75.B.1.b.(1) Truck, Tractor And Trailer Factors

(2) Private Passenger Autos (Class Code 7214)

(a) For liability, multiply the private passenger rates by **3.50**.

(b) For physical damage, multiply the current model year, \$15,001 - \$20,000 price bracket private passenger type rates by the following factors:

Other Than Collision	Collision
0.509	1.389

Table 75.B.1.b.(2)(b) Private Passenger Physical Damage Factors

(3) Special Types (Class Code 7216)

(a) For motorcycles, motorbikes and other similar motor vehicles, multiply the rates developed in Rule 77. by the following factors:

Coverage	Factor
Liability	3.00
Physical Damage	5.00

Table 75.B.1.b.(3)(a) Motorcycle Factors

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 75.
LEASING OR RENTAL CONCERNS (cont'd)**

- (b) For snowmobiles and other similar vehicles designed for travel over ice and snow and used primarily off public roads, multiply the rates developed in Rule **80**. by the following factors:

Coverage	Factor
Liability	3.00
Physical Damage	4.00

Table 75.B.1.b.(3)(b) Snowmobile Factors

**RULE 77.
MOTORCYCLES (Class Code 7942)**

Paragraph **B.4.c.(4)** is replaced by the following:

B. Premium Computation

4. Physical Damage

- c. For Collision, based on the original cost new of the motorcycle, multiply the premium shown for the private passenger types lowest original cost new price bracket by the following factors:

Original Cost New	Factor
\$ 0 - 4,500	0.415
4,501 - 6,000	0.490
6,001 - 8,000	0.598
8,001 - 10,000	0.689
10,001 - 15,000	0.747
15,001 - 20,000	0.830
Over 20,000	0.929

Table 77.B.4.c.(4) Motorcycle Collision Factors

**RULE 78.
REGISTRATION PLATES NOT ISSUED FOR A SPECIFIC AUTO (Class Code 7929)**

Paragraph **B.1.** is replaced by the following:

B. Premium Computation

1. Multiply the private passenger type rates by 1.50 for each set of plates.

**RULE 79.
REPOSSESSED AUTOS**

- B. 1. d.** The minimum premium is **\$20** at bodily injury and property damage \$25,000 limit.

**RULE 81
MOBILE OR FARM EQUIPMENT**

Paragraph **D.2. Rental Period Basis** does not apply.

Paragraph **B. Endorsements** is changed to add the following:

4. If the General Liability coverage for the insured is being written by an insurance carrier using ISO GL coverage forms whose edition dates are prior to December 2004, attach **CL CA 20 11, Auto And Mobile Equipment Re-Defined**, to keep the definitions of both "auto" and "mobile equipment" in sync between the Auto and General Liability Coverage Forms.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 81
MOBILE OR FARM EQUIPMENT (cont'd)**

- a. Adjust the Schedule of Covered "Autos" accordingly to remove vehicles described in Paragraphs **A.1.a.** through **A.1.f.** and Paragraph **A.2. above** that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
- b. For any Mobile Equipment described in Paragraphs **A.1.a.** through **A.1.f.** and **A.2.** above which is to be added as a covered "auto", Mobile Equipment Endorsement **CA 20 15** may be used. However, Liability Coverage does not apply to injury or damage resulting from the operation of any machinery that is on, attached to or part of any of those vehicles.

**RULE 88.
DRIVE OTHER CAR COVERAGE (Class Code 9020)**

Paragraph **B.** is replaced by the following:

- B.** Except for an individual named insured who is an auto dealer garage risk or an individual named insured who owns a private passenger auto, use Driver Other Car Coverage -- Broadened Coverage For Named Individuals Endorsement **CA 99 10.**
 - 1.** For Liability and Medical Payment Coverages:
 - a. Multiply the base private passenger type loss cost for the desired coverage in the state company rates/ISO loss costs by 0.10.
 - b. For increased limits, refer to the All Other Risks factors in Rule **100.**
 - c. Primary and secondary rating factors do not apply.
 - 2.** For Physical Damage Coverages:
 - a. Multiply the desired physical damage coverage base private passenger type loss cost in the state company rates/ISO loss costs by 0.10.
 - b. Age, original cost new and deductible factors do not apply.
 - c. Primary and secondary factors do not apply.
 - 3.** For Uninsured and Underinsured Motorists Coverages:
 - Multiply the state company rate/ISO loss cost provided in Rule **97.** for private passenger types by 0.10.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 90.
HIRED AUTOS**

The following replaces section C.2.c.:

2. Premium computation (Hired Automobile Physical Damage Minimum Premium is \$ 75)

- c. Loss Costs per each \$ 100 estimated annual cost of hire:

Comprehensive			Loss Cost Each \$100 Annual Cost of Hire
Full coverage	(Coverage Code 001)		.24
\$ 50 Deductible	(Coverage Code 003)		.23
\$ 100 Deductible	(Coverage Code 010)		.22
\$ 250 Deductible	(Coverage Code 055)		.21
\$ 500 Deductible	(Coverage Code 726)		.20
\$ 1,000 Deductible	(Coverage Code 727)		.19
\$ 2,000 Deductible	(Coverage Code 069)		.16
\$ 2,500 Deductible	(Coverage Code 069)		.14
\$ 3,000 Deductible	(Coverage Code 069)		.11
\$ 4,000 Deductible	(Coverage Code 069)		.07
\$ 5,000 Deductible	(Coverage Code 069)		.03

Specified Causes of Loss		
Full Coverage	(Coverage Code 020)	0.11

Collision			Loss Cost Each \$100 Annual Cost of Hire
\$ 100 Deductible	(Coverage Code 074)		.24
\$ 250 Deductible	(Coverage Code 076)		.23
\$ 500 Deductible	(Coverage Code 077)		.21
\$ 1,000 Deductible	(Coverage Code 078)		.20
\$ 2,000 Deductible	(Coverage Code 099)		.18
\$ 2,500 Deductible	(Coverage Code 099)		.16
\$ 3,000 Deductible	(Coverage Code 099)		.14
\$ 4,000 Deductible	(Coverage Code 099)		.11
\$ 5,000 Deductible	(Coverage Code 099)		.09

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 93.
NO-FAULT COVERAGES**

This rule is replaced by the following:

A. Application

Medical Expenses, Work Loss and Accidental Death Benefit coverages must be made available to the named insured on any auto policy, with respect to any auto described in Paragraphs 1., 2. and 3. Use Arkansas Personal Injury Protection Endorsement CA 22 02.

1. The private passenger type auto not as a public or livery conveyance.
2. A pickup, panel truck or sedan delivery not customarily used for business purposes.
3. A motorcycle, motorscooter, motorbike or similar auto not used as a public or livery conveyance.

The named insured shall have the right to reject in writing any one or more of these coverages. After a named insured or applicant for insurance rejects this coverage, the insurer or any of its affiliates shall not be required to notify any insured in any renewal, reinstatement, substitute, amended or replacement policy as to the availability of such coverage.

B. Premium Development

1. For accidental death benefits (Class Code 9263), charge the rates shown in the state company rates/ISO loss costs.
2. For work loss coverage (Class Code 9264), charge the rates shown in the state company rates/ISO loss costs.
3. If both accidental death benefits and work loss coverage are provided use Class Code 9265.
4. For medical expenses coverage at a limit up to \$ 5,000, charge rates shown in the state company rates/ISO loss costs tables listed under "medical payments" or as determined by the division rules.

**RULE 97.
UNINSURED MOTORISTS INSURANCE**

B. Premium Development For Private Passenger Types, Other than Private Passenger Types and Garage Risks

Compute the charges for limits not shown by interpolation. Refer to the company for limits higher than provided.

1. Single Limits - Basic and Increased Limits

a. Uninsured (includes Underinsured) Motorists Coverage - Individual or Married Couple

To compute the premium, charge the rates shown in Paragraph B.1.a. of the state company rates/ISO loss costs.

b. Uninsured (Includes Underinsured) Motorists Coverage - Other than Individual or Married Couple (Including Underinsured Motorists Insurance)

To compute the premium, charge the rates shown in Paragraph B.1.b. of the state company rates/ISO loss costs.

2. Split Limits - Basic and Increased Limits

a. Uninsured (includes Underinsured) Motorists Coverage - Individual or Married Couple

To compute the premium, charge the rates shown in Paragraph B.2.a. of the state company rates/ISO loss costs. The initial limit provided is the minimum financial responsibility limit required in Arkansas.

b. Uninsured (Includes Underinsured) Motorists Coverage - Other than Individual or Married Couple (Including Underinsured Motorists Insurance)

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 97.
UNINSURED MOTORISTS INSURANCE (cont'd)**

To compute the premium, charge the rates shown in Paragraph B.2.b. of the state company rates/ISO loss costs. The initial limit provided is the minimum financial responsibility limit required in Arkansas.

3. Property Damage

The rates shown in the state company rates/ISO loss costs for property damage liability subject to a \$ 200 deductible.

C. Trailers

Do not charge an uninsured motorists premium for trailers when power units designed to tow such trailers are insured for uninsured motorists insurance on the same coverage form.

**RULE 98.
DEDUCTIBLE INSURANCE**

Paragraph B. is replaced by the following:

B. Physical Damage Coverages

For deductibles not shown in the state company rates/ISO loss costs, compute the premiums as follows:

1. Private Passenger Types, Trucks, Tractors and Trailers, Garages and All Autos Except Zone-Rated Risks

a. Computation Procedures

- (1) Determine the base deductible rate (\$ 15,001 - 20,0000 original cost new) from the state company rates/ISO loss costs.
- (2) Use Rule 101. To determine the factor for the age group of the auto being rated (For stated amount rating, use age group 1).
- (3) Multiply the base deductible rate by the age group factor.
- (4) Multiply the result by the appropriate factor for the deductible desired.
- (5) Subtract the result from the base deductible rate for the original cost new and age group that applies to the auto being rated (For stated amount rating, use the stated amount premium developed in **Rule 101.**).

Alternatively, the following equation will give the appropriate loss cost for every desired deductible (except for stated amount rating):

Rate x Age factor from Rule 101. X (Original Cost New factor - deductible factor from Rule 98).

- (6) Deductible factors do not apply if the deductible factor is greater than the Original Cost New factor.

b. Deductible Factors

(1) Comprehensive

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 98.
DEDUCTIBLE INSURANCE (cont'd)

(a) Private Passenger Types

Deductible Amount	Factor
Full	-0.470
\$50	-0.410
100	-0.355
250	-0.200
500	0.000
1,000	0.180
2,000	0.330
3,000	0.410
5,000	0.520

**Table 98.B.1.a.(4) Private Passenger Types
 Comprehensive Deductible Factors**

(b) Trucks, Tractors and All Autos except Zone-Rated Risks and Garages

Deductible Amount	Factor
Full	-0.440
\$50	-0.370
100	-0.320
250	-0.170
500	0.000
1,000	0.140
2,000	0.260
3,000	0.330
5,000	0.420

**Table 98.B.1.b.(1)(b) Trucks, Tractors and Trailers and All Autos except Zone-Rated Risks
 Comprehensive Deductible Factors**

(c) Garages

- (1) \$ 1,000 per car/\$ 5,000 per occurrence (Cov. Code 203) - multiply the \$ 100 per car/\$ 500 per occurrence rate by 0.67.
- (2) \$ 2,500 per car/\$12,500 per occurrence (Cov. Code 203) - multiply the \$ 100 per car/\$ 500 per occurrence rate by 0.57.
- (4) \$ 5,000 per car/\$25,000 per occurrence (Cov. Code 069) - multiply the \$ 100 per car/\$ 500 per occurrence rate by 0.49.

(2) Collision

(a) Private Passenger Types

Deductible Amount	Factor
\$50	-0.150
100	-0.130
200	-0.090
250	-0.075
500	0.000
1,000	0.120
2,000	0.280
3,000	0.400
5,000	0.540

Table 98.B.1.b.(2)(a) Private Passenger Types Collision Deductible Factors

CONTINENTAL WESTERN INSURANCE COMPANY
 UNION INSURANCE COMPANY
 ACADIA INSURANCE COMPANY
 DIVISION ONE - COMMERCIAL AUTOMOBILE
 COMPANY EXCEPTION PAGES - ARKANSAS

RULE 98.

DEDUCTIBLE INSURANCE (Cont'd)

(b) Trucks, Tractors and Trailers and All Autos Except Zone-Rated Risks

Deductible Amount	Factor
\$50	-0.130
100	-0.110
250	-0.065
500	0.000
1,000	0.130
2,000	0.300
3,000	0.420
5,000	0.570

**Table 98.B.1.b.(2)(b) Trucks, Tractors and Trailers and All Autos except Zone-Rated Risks
Collision Deductible Factors**

2. Zone-Rated Risks

a. Computation Procedures

- (1) Determine the \$ 4,000 - 6,000 other than collision rate from the state rates/ISO loss costs. same age group as the auto being rated.
- (2) Multiply that rate by the applicable factor for the deductible desired.
- (3) Subtract the result from the other than collision rate for the original cost new and age group that applies to the auto being rated.
- (4) For Comprehensive coverage, \$ 1,000, \$ 2,000 and \$ 3,000 deductibles do not apply to autos with an original cost new less than \$ 8,000.
- (5) For Collision coverage, \$2,000 and \$3,000 deductibles do not apply to autos with an original cost new less than \$ 8,000.

b. Deductible Factors

(1) Comprehensive

Deductible Amount	Factor
Full	-0.440
\$50	-0.370
100	-0.320
250	-0.170
500	0.000
1,000	0.140
2,000	0.260
3,000	0.330
5,000	0.420

Table 98.B.2.b.(1) Zone-Rated Risks Comprehensive Deductible Factors

(2) Collision

Deductible Amount	Factor
\$50	-0.130
100	-0.110
250	-0.065
500	0.000
1,000	0.130
2,000	0.300
3,000	0.420
5,000	0.570

Table 98.B.2.b.(2) - Zone-Rated Risks Collision Deductible Factors

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

RULE 98.

DEDUCTIBLE INSURANCE (Continued)

3. c. Garage Blanket Collision

- a. For \$ 500 Deductible (Cov. Code 077), multiply the \$250 deductible collision premium by .65.
- b. For \$1,000 Deductible (Cov. Code 078), multiply the \$250 deductible collision premium by .35.
- c. For \$2,500 Deductible (Cov. Code 099), multiply the \$250 deductible collision premium by .30.
- d. For \$5,000 Deductible (Cov. Code 099), multiply the \$250 deductible collision premium by .25.

RULE 100.

INCREASED LIABILITY LIMITS

Paragraph **B.** is amended by the addition of the following:

Table 100.B. Increased Liability Limits

Combined Single Limit Of Liability (000's)	Limit Codes	1. Light And Medium Trucks	2. Heavy Trucks And Truck- Tractors	3. Extra- Heavy Trucks And Truck- Tractors	4. Trucks, Tractors, And Trailers Zone-Rated	5. All Other Risks
25	05	0.71	0.71	0.69	0.69	0.71
75	09	0.95	0.94	0.93	0.93	0.94
100	10	1.00	1.00	1.00	1.00	1.00
125	11	1.04	1.05	1.06	1.05	1.05
150	11	1.08	1.10	1.11	1.10	1.09
200	12	1.14	1.18	1.20	1.18	1.16
250	13	0.19	1.24	1.27	1.25	1.22
300	14	1.24	1.30	1.33	1.32	1.27
350	15	1.28	1.34	1.38	1.38	1.31
400	15	1.31	1.39	1.43	1.43	1.35
500	16	1.37	1.46	1.52	1.53	1.40
600	17	1.42	1.52	1.60	1.62	1.45
750	17	1.48	1.61	1.70	1.72	1.51
1,000	18	1.55	1.72	1.85	1.87	1.59
1,500	19	1.66	1.91	2.08	2.07	1.72
2,000	20	1.74	2.05	2.24	2.23	1.83
2,500	21	1.80	2.15	2.37	2.37	1.91
3,000	22	1.86	2.24	2.46	2.49	1.97
5,000	23	2.03	2.46	2.76	2.86	2.14
7,500	24	2.15	2.67	3.08	3.18	2.28
10,000	25	2.22	2.87	3.36	3.43	2.40

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 101.
PHYSICAL DAMAGE COVERAGE RATING PROCEDURES**

Paragraph A.4 is replaced by the following:

A. Actual Cash Value Premiums

4. Premium Computation

a. Base Premium Development

The physical damage loss costs displayed in the state company/ISO loss costs do include the application of the following factors necessary to reflect the applicable original cost new and age group. The factors are shown for calculation of deductibles not on the rate pages.

- Multiply the base rate for the desired physical damage coverage, by the Original Cost New factor
- Multiply the result by the appropriate Age Group factor
- For truck-tractors and all other vehicles used in dumping operations, multiply the collision premium by **1.25**.

(1) Trucks, Tractors and Trailers and Public Autos

(a) Original Cost New Factors

Price Range	Comprehensive and Specified Causes of Loss	Collision
\$ 0 - 4,500	0.40	0.36
\$ 4,501 - 6,000	0.50	0.46
\$ 6,001 - 8,000	0.60	0.55
\$ 8,001 - 10,000	0.70	0.70
\$ 10,001 - 15,000	0.90	0.86
\$ 15,001 - 20,000	1.00	1.00
\$ 20,001 - 25,000	1.10	1.10
\$ 25,001 - 40,000	1.20	1.35
\$ 40,001 - 65,000	1.30	2.00
\$ 65,001 - 90,000	1.50	2.60
Over \$ 90,000	2.00	2.55

Table 10.A.4.a.(1)(a) Original Cost New Factors

(b) Age Group Factors

Age Group	Comprehensive and Specified Causes of Loss	Collision
Current Model Year	1.00	1.00
1st Preceding Model Year	1.00	1.00
2nd Preceding Model Year	1.00	1.00
3rd Preceding Model Year	0.95	0.85
4th Preceding Model Year	0.90	0.80
5th Preceding Model Year	0.80	0.70
6th Preceding Model Year	0.80	0.70
7th Preceding Model Year	0.75	0.65
8th Preceding Model Year	0.70	0.60
9th Preceding Model Year	0.70	0.60
10th Preceding Model Year	0.70	0.60
All Other (11th Preceding Model Year or More)	0.60	0.50

Table 101.A.4.a.(1)(b) Age Group Factors

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 101.
PHYSICAL DAMAGE COVERAGE RATING PROCEDURES (cont'd)**

(2) Private Passenger Types

(a) Original Cost New Factors

Price Range	Comprehensive and Specified Causes of Loss	Collision
\$ 0 - 4,500	0.30	0.50
\$ 4,501 - 6,000	0.43	0.60
\$ 6,001 - 8,000	0.57	0.725
\$ 8,001 - 10,000	0.71	0.85
\$ 10,001 - 15,000	0.86	0.925
\$ 15,001 - 20,000	1.00	1.00
\$ 20,001 - 25,000	1.12	1.075
\$ 25,001 - 40,000	1.30	1.20
\$ 40,001 - 65,000	1.70	1.45
\$ 65,001 - 90,000	2.40	1.70
E/A 1,000 over 90,000*	0.02	0.01

For autos with an original cost new in excess of \$ 90,000:
 (i) Subtract 90,000 from the original cost new.
 (ii) Divide the result by 1,000
 (iii) Multiply by the appropriate "Each Additional \$1000 over \$90000*" factor.
 (iv) Add the result to the appropriate \$ 65,001 - 90,000 factor.

Table 10.A.4.a(2)(a) Original Cost New Factors

(b) Age Group Factors

Age Group	Comprehensive and Specified Causes of Loss	Collision
Current Model Year	1.00	1.00
1st Preceding Model Year	1.00	1.00
2nd Preceding Model Year	1.00	1.00
3rd Preceding Model Year	0.95	0.85
4th Preceding Model Year	0.95	0.85
5th Preceding Model Year	0.85	0.65
6th Preceding Model Year	0.85	0.65
7th Preceding Model Year	0.80	0.60
8th Preceding Model Year	0.80	0.60
9th Preceding Model Year	0.75	0.55
10th Preceding Model Year	0.75	0.55
All Other (11th Preceding Model Year or More)	0.75	0.55

Table 101.A.4.a.(2)(b) Age Group Factors

(3) Garages

Non-franchised dealers should apply a factor of **1.10** to the physical damage premium.

b. Deductibles

For deductibles not shown in the state company rates/ISO loss costs, refer to Rule 98.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 101.
PHYSICAL DAMAGE COVERAGE RATING PROCEDURES (cont'd)**

Paragraph **B.** is replaced by the following:

B. Stated Amount Basis

For those autos which may be written on a stated amount basis, use Stated Amount Insurance Endorsement **CA 99 28**. Determine the premium as follows:

1. Multiply the rate for the desired physical damage coverage in the state company rates/ISO loss costs by the appropriate factor in the following table:

Stated Amount Vehicle Value Range	Comprehensive		Collision	
	Trucks, Tractors & Trailers	Private Passenger Types	Trucks, Tractors & Trailers	Private Passenger Types
\$ 1 - 10,000	.009	.008	.009	.010
\$ 10,000 - 15,000	.007	.007	.007	.007
\$ 15,001 - 20,000	.006	.006	.006	.006
\$ 20,001 - 25,000	.005	.005	.005	.005
\$ 25,001 - 40,000	.004	.004	.004	.004
\$ 40,001 - 65,000	.003	.003	.004	.003
\$ 65,001 - 90,000	.002	.003	.003	.002
Over \$ 90,000	.002	.003	.003	.002

Table 101.B.1. Stated Amount Basis Factors

2. Divide the actual Stated Amount Value by 100.
3. Multiply the results of Paragraphs 1. And 2.
4. Multiply by the combined rating factor and fleet factor, as appropriate.
5. Code all stated amount rated autos as Age Group 1.
6. For deductibles not shown in the state company rates/ISO loss costs, refer to Rule 98.

**RULE 107.
FELLOW EMPLOYEE COVERAGE - CLASS CODE 9908**

C. Premium Determination

1. Blanket Basis - Compute the final modified liability premium for the Auto, Garage, Motor Carrier or Truckers coverage. Apply a factor of 3% - 7% to calculate the premium.
2. Designated Employees / Positions Basis - Use a loss cost of \$ 12.50 per individual basic limit rate. Apply governing Increased Limit Factor.

**RULE 111.
TERRORISM ENDORSEMENT OPTIONS - FEDERAL BACKSTOP**

Refer to the Terrorism Supplement to the CLM.

**RULE 112.
FUNGI OR BACTERIA LIABILITY**

A. Application, Paragraph 1. is replaced by the following:

1. Liability arising out of fungi or bacteria on or within a building or structure, including its contents, may be excluded by attaching Fungi or Bacteria Exclusion - Garage Operations - Other Than Covered Autos Endorsement, **CL CA 25 04**.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

**RULE 113.
SILICA OR SILICA-RELATED DUST LIABILITY**

Rule 113. is replaced by the following:

Liability arising out of silica or silica-related dust exposure may be excluded by the use of the following optional endorsements:

1. Use Silica Exclusion, **CL CA 01 05**, with the Business Auto, Motor Carrier and Truckers Coverage Forms to exclude Silica exposure for covered autos.
2. Use Silica Exclusion, **CL CA 01 05**, with the Garage Coverage Form to exclude the Silica exposure for Garage Operations - Covered Autos, and for Garage Operations - Other than Covered Autos.

COMPANY RULES AND EXCEPTIONS

ADDITIONAL RULES

LOSS COST MULTIPLIERS

	Cont West	Union	Acadia
LIABILITY			
All Other Commercial Automobile Liability	1.621	1.460	1.007
Garage	1.465	1.320	0.728
PHYSICAL DAMAGE			
All Other Commercial Automobiles	2.638	2.377	1.007
Garage	2.512	2.257	1.238

WAIVER OF COLLISION DEDUCTIBLE -- ATTACHED AUTOS

1. **Description**
If both a trailer and the power unit to which it is attached sustain damage in a single collision "loss", the lowest of the applicable collision deductibles may be waived by attachment of the appropriate endorsement provided that both are covered "autos" for Collision Coverage that applies to that "loss" and both are scheduled in the endorsement.
2. **Eligibility**
Any policy which provides Collision Coverage to any trailer, semi-trailer, service or utility trailer.
3. **Form**
Use endorsement **AI CA 09**, Waiver Of Deductible -- Attached Autos, and describe the "autos" to which the endorsement applies.
4. **Premium Charge**
Charge 5% of the otherwise applicable Collision premium for the trailers and power units scheduled in the endorsement.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

TOWING OPERATOR'S AMENDATORY ENDORSEMENT

- A.** Form **GR CA 67** may be attached to the Garage Coverage Form to provide the insured for loss of use due to the disablement of covered tow trucks. Also, Garagekeepers Coverage is amended to primary insurance.
- B.** Premium Determination

A flat charge premium is made equivalent to the daily reimbursement limit(s) entered in the schedule under Section A.

Example - \$ 500 per day for Light/Medium Vehicles (0 - 20,000 GVW)
\$ 500 per day for Heavy Vehicles (20,001 - 45,000 GVW)
\$ 1,500 per day for Extra Heavy Vehicles (Over 45,000 GVW)
The annual total flat charge premium is \$ 2,000.

DRIVER EXCLUSION

- A.** The purpose of this exclusion is to enable coverage to be offered on those accounts which have certain undesirable drivers. Based upon the motor vehicle record a driver may be excluded due to an excessive number of moving violations and/or the nature of the violation, such as "reckless driving", or "driving under the influence".
- B.** The use of this endorsement will be with the full knowledge and consent of the policyholder. Signatures must be obtained in the appropriate section of the form.
- C.** Use Form: **CL CA 01 14**, Driver Exclusion.

AMENDMENT -- TRANSFER OF RIGHTS OF RECOVERY

The company's right of subrogation against designated persons or organizations may be waived under certain circumstances, prior to a loss, by attaching Amendment - Transfer Of Rights Of Recovery Endorsement, **GR CA 59**. Charge a flat premium of **\$50** for each waiver.

SEASONAL AGRICULTURAL VEHICLE "LAY UP" CREDIT

A factor of 0.50 is multiplied to the liability premium to calculate the "lay up" credit of any vehicle which the following criteria apply:

- a.** Vehicle must qualify for secondary class code of 69.
- b.** Vehicle is used to transport agricultural commodities such as crops and cattle.
- c.** Vehicle is operated for insured's benefit only and is not for hire or contract hauling.
- d.** Vehicle is operated no more than sixty (60) days per year.
- e.** Vehicle size must be medium or heavy class. Extra heavy vehicles do not qualify. Private passenger and pickup vehicles do not qualify for seasonal credit.
- f.** Vehicle operating radius is limited to one hundred (100) miles in the same state where the vehicle is garaged.

ADDITIONAL INSURED ENDORSEMENT -- US CA 01

Policies may be endorsed to cover designated organizations as additional insureds. Coverage is limited to the vicarious liability of the additional insured from the operation of vehicles owned by the Named Insured and operated on behalf of the Named Insured. This endorsement does not apply to any operations for other than the Named Insured.

Use form **US CA 01**.

More than one additional insured can be included on this endorsement.
Loss Cost is **\$17.50** Flat Charge per additional insured.

**CONTINENTAL WESTERN INSURANCE COMPANY
UNION INSURANCE COMPANY
ACADIA INSURANCE COMPANY
DIVISION ONE - COMMERCIAL AUTOMOBILE
COMPANY EXCEPTION PAGES - ARKANSAS**

DECLARATIONS EXTENSION ENDORSEMENT

To complete and/or clarify the policy with regard to the following items at inception or renewal:

- a. Insured's Name
- b. Insured's Mailing Address
- c. Covered Property/Location
- d. Classification/Class Code
- e. Limits/Exposures
- f. Premium Determination
- g. Fill-In Areas of Variable Text Endorsements.
- h. Additional Interested Parties/Loss Payees
- i. Rates
- j. Deductibles
- k. Insured's Legal Status/Business of Insured; or
- l. Forms Applicable

Use Declaration Extension Endorsement **CL IL 00 06**.

WRONG DELIVERY OF SCHEDULED PRODUCTS

The CL CA 20 18 06 08, Wrong Delivery of Scheduled Products, endorsement is used to exclude "bodily injury" or "property damage" resulting from the delivery of any product shown in the schedule into the wrong receptacle or to the wrong address, or from the delivery of any product shown in the schedule for a similar product, if the "bodily injury" or "property damage" occurs after the delivery has been completed.

The form is used to delete the coverage from the Commercial Automobile coverage part. To include coverage for this peril, use General Liability form, CL CG 00 31 - Misdelivery of Scheduled Products Coverage.

EXPERIENCE and SCHEDULE RATING PLANS

Auto Liability and Auto Physical Damage - Use the Company Experience & Schedule Rating Plan - Commercial Auto.

The Plan is a separate document.

SERFF Tracking Number: UNON-125865258

State: Arkansas

First Filing Company: Acadia Insurance Company, ...

State Tracking Number: #10035440 \$50

Company Tracking Number: 09-CA-FM-3

TOI: 20.0 Commercial Auto

Sub-TOI: 20.0001 Business Auto

Product Name: 2009 CA Form Filings

Project Name/Number: 04-09 AL CA Co. Form Filing/

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status:

Approved

11/24/2008

Comments:

Attachments:

04-09 CA FormRule Trans Doc Supp.pdf

04-09 CA FormRule Trans Doc.pdf

PROPERTY & CASUALTY FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms.)

(Do **not** refer to the body of the filing for the forms listing, unless allowed by the state.)

	This filing transmittal is part of Company Tracking #				
	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
	Form Name/ Description/Synopsis	Form# Include edition Date	Replacement Or Withdrawn	If replacement, give form # it replaces	Previous state filing number, (if required by state)
1			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
2			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
3			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
4			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
5			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
6			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
7			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
8			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
9			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

Property & Casualty Transmittal Document

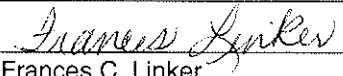
Reset Form

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
g. SERFF Filing #:		
h. Subject Codes		

3. Group Name	W. R. Berkley Corp.				Group NAIC #	0098
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #		
Continental Western Insurance Company	IA	10804	42-0594770			
Union Insurance Company	IA	25844	47-0547953			
Acadia Insurance Company	NH	31325	01-0471706			

5. Company Tracking Number	09-CA-FM-3
-----------------------------------	------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Frances Linker, Union Standard Insurance Group, P. O. Box 152180, Irving, TX 75015-2180	Sr. Compliance Analyst	800-444-0049, 2465	972-719-2348	flinker@usic.com
7. Signature of authorized filer				
8. Please print name of authorized filer		Frances C. Linker		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	20.0 Commercial Auto		
10. Sub-Type of Insurance (Sub-TOI)	20.0002		
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]			
12. Company Program Title (Marketing title)			
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input checked="" type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)		
14. Effective Date(s) Requested	New: 4/1/2009	Renewal: 4/1/2009	
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
16. Reference Organization (if applicable)			
17. Reference Organization # & Title			
18. Company's Date of Filing	11/6/2008		
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved		

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # 09-CA-FM-3

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

Continental Western Insurance Company, Union Insurance Company and Acadia Insurance Company propose to adopt the following company endorsements for all policies effective April 1, 2009 for new and renewal business.

CL CA 01 33 09 08 Garage Amended Endorsement
CL CA 25 11 08 07 Garage Policy Advantage Endorsement
CL CA 25 15 08 07 Automobile Dealers Insurance Agents Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit
CL CA 25 16 08 07 Automobile Dealers Odometer Statute Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit
CL CA 25 17 08 07 Automobile Dealers Title Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit
CL CA 25 18 08 07 Automobile Dealers Truth in Lending Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit
CL CA 25 19 08 07 Automobile Dealers Truth in Lending Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit
CL CA 25 20 08 07 Employee Benefits Liability Coverage - Auto Dealers
CL CA 25 26 08 08 Automobile Dealers Insurance Agents Errors and Omissions Coverage
CL CA 25 27 08 08 Automobile Dealers Odometer Statute Errors and Omissions Coverage
CL CA 25 28 08 08 Automobile Dealers Title Errors and Omissions Coverage
CL CA 25 29 08 08 Automobile Dealers Truth in Lending Errors and Omissions Coverage
CL CA 25 30 08 08 Automobile Dealers Truth in Lending Errors and Omissions Coverage

We wish to replace GR CA 60 - Garage Advantage Endorsement with the following new endorsements:

1. CL CA 25 11 08 07 Garage Policy Advantage Endorsement
2. CL CA 25 15 08 07 Automobile Dealers Insurance Agents Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit
3. CL CA 25 16 08 07 Automobile Dealers Odometer Statute Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit
4. CL CA 25 17 08 07 Automobile Dealers Title Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit
5. CL CA 25 18 08 07 Automobile Dealers Truth in Lending Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit
6. CL CA 25 19 08 07 Automobile Dealers Truth in Lending Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit

The combination of these six (6) endorsements will provide the coverages within the GR CA 60 as well as five (5) additional coverages. A reduction in coverage will be generated as the new Errors and Omissions (E&O) coverage forms are built on an occurrence rather than a claims-made basis and are subject to the Garage Operations - Other than Covered Auto Aggregate Limit. The change to separate the E&O coverages is being made so that we can customize the coverage with the risk exposure and change accordingly.

We have created a new amendatory endorsement, CL CA 01 33 09 08 - Garage Amendatory Endorsement, that revises the language for the Garage Operations - Other than Covered Autos Aggregate Limit to include all the Errors and Omissions coverages within the aggregate.

We wish to replace the current US 101 with the ten (10) Errors and Omissions forms attached. The current US 101 allows for the limit of insurance to be filed in for any of the 5 Errors and Omissions Coverages. The two sets of proposed forms allow for two (2) options:

1. A \$300,000 Sublimit
2. A limit equal to the Garage Operations - Other than Covered Autos Each "Accident" limit

The US 101 used a "check box" schedule to determine which of the E&O options applied. The Company has decided that separate coverage endorsements would be easier to use to customize the policy to each insured's needs.

We have created a new endorsement, CL CA 25 20, Employee Benefits Liability endorsement, that can be used on a Garage policy without adding the General Liability Coverage Part.

We have created a new endorsement, CL CA 25 20, Employee Benefits Liability endorsement, that can be used on a Garage policy without adding the General Liability Coverage Part.

The proposed rating for the CL CA 25 11 is equivalent to the rating for the current GR CA 60 endorsement (Rule 50.C.9.). The Errors and Omissions (E&O) coverages are being filed so that the insured can customize/select and pay for his desired coverages (Rule 50.C.13.). The Employee Benefits Liability Coverage is being added as an optional additional coverage (Rule 50.C.14.).

[View Complete Filing Description](#)

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:
Amount: \$50.00

\$50.00 fee per filing.

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #		09-CA-FM-3		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Garage Amendatory Endorsement	CL CA 01 33 09 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Garage Policy Advantage Endorsement	CL CA 25 11 08 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	GR CA 60	
03	Automobile Dealers Insurance Agents Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	CL CA 25 15 08 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Automobile Dealers Odometer Statute Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	CL CA 25 16 08 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Automobile Dealers Title Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	CL CA 25 17 08 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Automobile Dealers Truth in Leasing Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	CL CA 25 18 08 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Automobile Dealers Truth in Lending Errors and Omissions Coverage - \$300,000 Each "Accident" Sublimit	CL CA 25 19 08 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Employee Benefits Liability Coverage – Auto Dealers	CL CA 25 20 08 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Automobile Dealers Insurance Agents Errors and Omissions Coverage	CL CA 25 26 09 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Automobile Dealers Odometer Statute Errors and Omissions Coverage	CL CA 25 27 09 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	09-CA-FM-3
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	09-CA-FM-3
<input type="checkbox"/> Rate Increase <input type="checkbox"/> Rate Decrease <input type="checkbox"/> Rate Neutral (0%)		

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)		File & Use				
4a.	Rate Change by Company (As Proposed)						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
4b.	Rate Change by Company (As Accepted) For State Use Only						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)		
5b	Overall percentage rate impact for this filing		
5c	Effect of Rate Filing – Written premium change for this program		
5d	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	
7.	Effective Date of last rate revision	
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	A=CA=Exception Pages 1 - 39	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	